(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

PHARMAMAR GROUP
(Pharma Mar, S.A. and subsidiaries)

Consolidated Financial Statements and Consolidated Directors' Report As of 31 December 2024

Auditor's Report on Pharma Mar, S.A. and Subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Pharma Mar, S.A. and subsidiaries for the year ended 31 December 2024)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Pharma Mar, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Pharma Mar, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702, and the Spanish Institute of Registered Auditors' list of companies with No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and recoverability of deferred tax assets See notes 2.20, 4 and 22.2 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
As indicated in note 22.2 to the accompanying consolidated annual accounts, at 31 December 2024 the Group has recognised deferred tax assets for a total of Euros 36,012 thousand, which primarily correspond to available deductions generated for research and development and unused tax loss carryforwards to be applied to corporate income tax by the Spanish tax group. The recognition and recoverability of these deferred tax assets is analysed on an annual basis by the Group's management and Directors in line with the best estimate of taxable profits for the next five years, which is deemed to be the reasonably foreseeable horizon. As part of their assessment, the Group's management and Directors analyse whether the deductions could be converted into a receivable from the taxation authorities (monetisation) in the future, for the purposes of considering it in assessing their recoverability. The analysis of the initial recognition and recoverability of deferred tax assets is considered a key audit matter due to the significance of the amount of deferred tax assets recognised and because estimating future taxable profits requires a significant degree of judgement.	Our audit procedures included the following: - Assessing the design and implementation of certain key controls linked to the process of recognising and measuring deferred tax assets. - Assessing the reasonableness of the criteria and the main assumptions considered by the Spanish tax group in estimating the future taxable profits necessary for offset. - Assessing the reasonableness of the amounts to be offset in the estimated period of time, in accordance with applicable tax legislation. - Analysing the consistency of forecast results which served as a basis for analysing the recoverability of the deferred tax assets with the business plan approved by the Group's management and Directors. - We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

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Recognition of customer contracts revenues See notes 2.23, 4 and 23 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Group's activity, as indicated in note 1 to the accompanying consolidated annual accounts, consists mainly of the research, development, production and marketing of marine-derived bioactive products for use in oncology. As indicated in note 2.23 to the accompanying consolidated annual accounts, the Group recognises revenue when control of the goods or services is transferred to customers. At that point, revenue is recognised as the amount of the consideration to which the Group expects to be entitled in exchange for the transfer of the goods and services promised under contracts with customers. Specifically: - Revenue from the sale of products is recognised at the time control of the asset is transferred to the customer, which generally occurs when the goods are delivered to the end customer. - Revenues from licensing, development and similar agreements are recognised on an accruals basis for the various performance obligations identified, which have been previously priced in the contract analysis process, as well as for the achievement of milestones. - Royalty revenues are recognised in accordance with the agreed percentage of sales achieved by the counterparty to the arrangement at a given point in time. Due to the significance of the amount of revenues from customer contracts and the possibility of revenue being recognised in an incorrect period, we have considered this a key audit matter.	Our audit procedures included the following: – Obtaining an understanding of the revenue recognition process and assessing the design and implementation of key controls related to the process for recognising revenues near the reporting date. – Testing using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of revenue transactions during the year, individually matching the revenue to the accounts receivable and cash received in the audited period. – Tests of detail on revenues from licensing, development and other similar transactions, checking, based on the analysis of revenues according to the performance obligations identified and the price associated with each of them, whether the revenues recognised in 2024 correspond to the obligations satisfied in the period and to the achievement of possible milestones included in the licensing contracts. – Tests of detail on revenues from royalties, checking whether the revenues recognised in 2024 reflect the percentage agreed between the parties of the amount of sales that the counterparty to the agreement has made in the licensed territory. – External confirmation for a sample of outstanding invoices, performing alternative procedures, where applicable, based on delivery notes, contracts or evidence of subsequent collection. – Tests of detail on a selection of revenue transactions either shortly before or shortly after the reporting date, reviewing delivery notes or contracts to check whether the transactions were recognised in the appropriate period. – We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

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Other Matter

On 28 February 2024 other auditors issued their unqualified auditor's report on the consolidated annual accounts for 2023.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2024 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts_

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

– Plan and execute the audit of the Group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with the ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of Pharma Mar, S.A. and its subsidiaries for 2024 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Company, which will form part of the annual financial report.

The Directors of Pharma Mar, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 27 February 2025.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 29 May 2024 for a period of three years, from the year ended 31 December 2024. This year, 2024, is the first year audited.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

José Ignacio Rodríguez Prado
On the Spanish Official Register of Auditors ("ROAC") with No. 15825

27 February 2025

CONSOLIDATED BALANCE SHEET AS OF 2024 YEAR-END

CONSOLIDATED BALANCE SHEET (thousand euro)	Note	31/12/24	31/12/23
ASSETS			
Non-current assets			
Property, plant and equipment	6	55,909	43,874
Investment property	7	845	845
Intangible assets	8	1,000	1,935
Right-of-use assets	9	3,171	3,733
Financial assets	10	2,459	6,062
Deferred tax assets	22	36,012	31,469
		99,396	**87,918**
Current assets			
Inventories	14	51,966	39,289
Trade receivables	13	34,677	27,554
Financial assets	10	91,288	102,538
Balances with public authorities	22	7,334	20,280
Prepaid expenses		1,744	2,917
Cash and cash equivalents	15	63,239	60,024
		250,248	**252,602**
TOTAL ASSETS		**349,644**	**340,520**

CONSOLIDATED BALANCE SHEET (thousand euro)	Note	31/12/24	31/12/23
EQUITY			
Share capital	16	10,933	11,013
Share premium account	16	59,858	71,278
Own shares	16	(30,827)	(31,091)
Revaluation reserves and other reserves		16	15
Retained earnings and other reserves		168,379	142,223
Total capital and reserves attributable to equity-holders of the controlling company		**208,359**	**193,438**
TOTAL EQUITY		**208,359**	**193,438**
LIABILITIES			
Non-current liabilities			
Interest-bearing debt	21	39,865	27,036
Lease liabilities	21	1,363	1,828
Contractual liabilities	19	15,893	19,866
Subsidies		1,276	2,271
Other non-current liabilities		194	193
		58,591	**51,194**
Current liabilities			
Supplier and other accounts payable	18	51,578	40,297
Balances with public authorities	22	3,353	3,402
Interest-bearing debt	21	7,966	12,825
Lease liabilities	21	1,881	1,980
Contractual liabilities	19	3,973	24,927
Other current liabilities	20	13,943	12,457
		82,694	**95,888**
TOTAL LIABILITIES		**141,285**	**147,082**
TOTAL EQUITY AND LIABILITIES		**349,644**	**340,520**

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED INCOME STATEMENT			
(thousand euro)	**Note**	**31/12/24**	**31/12/23**
Revenues from contracts with customers:			
Product sales	5 & 23	66,542	71,873
Licensing and development agreements	5 & 23	46,518	33,590
Royalties	5 & 23	61,347	52,178
Services provided		448	512
		174,855	**158,153**
Cost of goods sold	5	(8,183)	(9,613)
Gross income		**166,672**	**148,540**
Marketing expenses	26	(22,809)	(23,542)
General and administration expenses	25	(24,372)	(18,263)
R&D expenses	24	(103,502)	(99,302)
Net impairment of financial assets	3 & 12	217	271
Parent company expenses	28	(13,425)	(12,783)
Other gains/(losses), net	27	3,687	1,252
Operating profit		**6,468**	**(3,827)**
Financial expenses		(8,528)	(9,427)
Financial revenues		14,045	9,631
Net financial income	30	**5,517**	**204**
Income before taxes		**11,985**	**(3,623)**
Income tax	22	14,140	4,760
Profit or loss for the year		**26,125**	**1,137**
Attributable to:			
Equity-holders of the controlling company		26,125	1,137

Euro per share	**Note**	**31/12/24**	**31/12/23**
Basic profit/(loss) per share			
- Attributable to equity holders of the controlling company	31	1.49	0.06
Diluted profit/(loss) per share			
- Attributable to equity holders of the controlling company	31	1.49	0.06

The accompanying notes are an integral part of these consolidated financial statements

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (thousand euro)	31/12/24	31/12/23
CONSOLIDATED PROFIT OR LOSS FOR THE YEAR	**26,125**	**1,137**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS		
Value change in financial assets at fair value through other comprehensive income	1	(4)
Foreign exchange difference	5	35
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAXES	**6**	**31**
COMPREHENSIVE INCOME FOR THE YEAR	**26,131**	**1,168**
ATTRIBUTABLE TO:		
Equity-holders of the controlling company	26,131	1,168
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**26,131**	**1,168**

The accompanying notes are an integral part of these consolidated financial statements

B. TOTAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(thousand euro)	Share capital	Share premium account	Own shares	Revaluation reserve and other reserves	Reserves and other retained earnings	Total equity
Balance as of 1 January 2023	**11,013**	**71,278**	**(15,865)**	**19**	**156,512**	**222,957**
Fair value gain / (loss), gross:						
- Financial assets at fair value through other comprehensive income (Note 12)	-	-	-	(4)	-	(4)
- Other revenues and expenses recognized directly in equity	-	-	-	-	35	35
Other comprehensive income	**-**	**-**	**-**	**(4)**	**35**	31
2023 income	-	-	-	-	1,137	1,137
Comprehensive income for the year	**-**	**-**	**-**	**(4)**	**1,172**	1,168
Shares purchased (Note 16)	-	-	(34,101)	-	-	(34,101)
Shares sold (Note 16)	-	-	18,875	-	(3,797)	15,078
Value of employee services — Employee share ownership plan (Note 33)	-	-	-	-	28	28
Dividend payments (Note 16)	-	-	-	-	(11,689)	(11,689)
Capital increase/reduction (Note 16)	-	-	-	-	(3)	(3)
Balance as of 31 December 2023	**11,013**	**71,278**	**(31,091)**	**15**	**142,223**	**193,438**
Balance as of 1 January 2024	**11,013**	**71,278**	**(31,091)**	**15**	**142,223**	**193,438**
Fair value gain / (loss), gross:						
- Financial assets at fair value through other comprehensive income (Note 12)	-	-	-	1	-	1
- Other revenues and expenses recognized directly in equity	-	-	-	-	5	5
Other comprehensive income	**-**	**-**	**-**	**1**	**5**	**6**
2024 income	-	-	-	-	26,125	26,125
Comprehensive income for the year	**-**	**-**	**-**	**1**	**26,130**	**26,131**
Shares purchased (Note 16)	-	-	(18,628)	-	-	(18,628)
Shares sold (Note 16)	-	-	13,170	-	4,965	18,135
Value of employee services — Employee share ownership plan (Note 33)	-	-	722	-	54	776
Dividend payments (Note 16)	-	(11,420)	-	-	-	(11,420)
Capital increase/reduction (Note 16)	(80)	-	5,000	-	(4,988)	(68)
Other movements	-	-	-	-	(5)	(5)
Balance as of 31 December 2024	**10,933**	**59,858**	**(30,827)**	**16**	**168,379**	**208,359**

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED CASH FLOW STATEMENT (thousand euro)	Note	31/12/24	31/12/23
Income before taxes:		**11,985**	**(3,623)**
Adjustments for:		**(664)**	**6,811**
Depreciation	6.8 & 9	6,773	5,756
Change in provisions		196	(99)
Fixed asset impairment	6 & 8	(284)	(1,747)
Financial revenues	30	(5,665)	(4,103)
Financial expenses	30	2,469	2,416
Income from sale of fixed assets		(837)	1,933
Share-based payments		-	297
Subsidies		(995)	706
Exchange differences		(2,307)	1,684
Other adjustments to income		(14)	(32)
Changes in working capital		**(31,746)**	**(34,911)**
Inventories	14	(12,680)	(11,542)
Customer and other receivables	13	(7,319)	1,783
Other assets and liabilities		1,948	(5,343)
Supplier and other accounts payable	18	11,232	3,390
Contractual liabilities	19	(24,927)	(23,199)
Other operating cash flows:		**26,452**	**18,277**
Interest paid	30	(2,469)	(2,416)
Interest received	30	5,665	4,103
Income tax received/(paid)	22	23,256	16,590
TOTAL NET OPERATING CASH FLOW		**6,027**	**(13,446)**
Investment payments:		**(366,985)**	**(330,284)**
Property, plant and equipment		(15,015)	(14,808)
Intangible assets		(495)	(1,148)
FINANCIAL ASSETS	3	(351,473)	(311,969)
Other financial assets		(2)	(2,359)
Divestment receipts:		**368,018**	**287,236**
Property, plant and equipment	6 & 7	888	-
Financial assets	3	364,002	287,236
Other financial assets		3,128	-
Other investing cash flow		**-**	**-**
TOTAL NET INVESTING CASH FLOW		**1,033**	**(43,048)**
Receipts and (payments) in connection with equity instruments:		**215**	**(19,295)**
Issuance of equity instruments	17	(68)	-
Acquisition	16	(18,628)	(37,901)
Disposal	16	18,911	18,606
Receipts and (payments) in connection with financial liabilities:	21	**5,855**	**(1,153)**
Loans received		15,414	4,858
Loans repaid		(6,506)	(6,349)
IFRS 16 payments		(2,115)	(2,006)
Credit lines drawn/(repaid)		(938)	2,344
Payment of dividends and remuneration on other equity instruments		**(11,420)**	**(11,689)**
TOTAL NET FINANCING CASH FLOW		**(5,350)**	**(32,137)**
EFFECT OF EXCHANGE RATE FLUCTUATIONS		**1,505**	**(1,158)**
TOTAL NET CASH FLOW FOR THE YEAR		**3,215**	**(89,789)**
Beginning balance of cash and cash equivalents	15	60,024	149,813
ENDING BALANCE OF CASH AND CASH EQUIVALENTS		**63,239**	**60,024**

The accompanying notes are an integral part of these consolidated financial statements

Notes to the consolidated financial statements of Pharma Mar, S.A. and subsidiaries as of 31 December 2024 (thousand euro)

1. GENERAL INFORMATION

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

PharmaMar's main activity is research, development, production and commercialization of bio-active principles of marine origin for use in oncology, as well as the management, support and development of its investees that focus on marketing those products in Europe, and on RNA interference.

On 18 December 2024, Pharma Mar, S.A. approved the Final Liquidation Balance Sheet of Genómica, S.A.U. and declared the company liquidated. The liquidation instrument, executed on that same date by the Sole Liquidator, was registered with the Madrid Mercantile Register on 8 January 2025. The liquidation process began following the agreement adopted by the Board of Directors of PharmaMar on 27 September 2022, when the procedures for the dissolution and liquidation of Genómica, S.A.U. were initiated. In order to meet pre-existing commitments to customers, the Group maintained production and sales in the diagnostics area for the first three months of 2023 until Genómica S.A.U and its subsidiaries were effectively liquidated.

Previously, the liquidation of its subsidiary in China—Genomica (Wuhan) Trading Co. Ltd.— was registered on 8 January 2024 and the liquidation of its subsidiary in Sweden (Genomica AB) was registered on 27 June 2024.

Pharma Mar, S.A.'s shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and the Spanish electronic market (SIBE).

Consolidation scope

For the purposes of drafting these financial statements, a group is considered to exist when a controlling company has one or more subsidiaries over which it has control, directly or indirectly.

The consolidated Group's subsidiaries as of 31 December 2024 are as follows:

		Stake
Name	**Registered offices**	**Direct**
Pharma Mar USA Inc	195 Montague St. 12th floor Suite 1211 Brooklyn, N.Y. 11201	100.00%
PharmaMar AG	Aeschengraben 29, CH 4051 Basel (Switzerland)	100.00%
PharmaMar Sarl	6 Rue de l'Est, 92100 Boulogne Billancourt, Paris, France	100.00%
Pharma Mar GmbH	Uhlandstraße 14 - 10623 Berlin, Germany	100.00%
Pharma Mar Srl (Italy)	Via Lombardia 2/A C/O Innov. Campus-Building B, 20068 Peschiera Borromeo, Milan, Italy	100.00%
Pharma Mar, Srl (Belgium)	Rue de la Presse, 4 1000 Brussels, Belgium	100.00%
Pharma Mar Ges.m.b.H	Teinfaltstraße 9/7, 1010 Vienna, Austria	100.00%
Sylentis, S.A.U.	Pza. del Descubridor Diego de Ordás 3, Madrid	100.00%

There are no additional changes other than the removal of Genómica, S.A.U. from the Group's consolidation scope, and no other company is consolidated by a different method.

Below is a list of the Group's subsidiaries and the firms that audited their 2024 financial statements:

Name and domicile	Statutory auditor
Pharma Mar USA Inc	Walter & Shuffain, PC
PharmaMar AG	PwC
PharmaMar Sarl	KPMG
Pharma Mar GmbH	No
Pharma Mar Srl	PwC
Pharma Mar, Srl (Belgium)	KPMG
Pharma Mar Ges.m.b.H	No
Sylentis, S.A.U.	KPMG

Description of subsidiaries

The principal activity of the Group companies, all of which were fully consolidated as of 31 December 2024 and 2023, is as follows:

- Pharma Mar USA: Business development in the US.
- PharmaMar AG: Marketing pharmaceutical products in the Swiss market.
- Pharma Mar SARL: Marketing pharmaceutical products in the French market.
- Pharma Mar GmbH: Marketing pharmaceutical products in the German market.
- Pharma Mar S.r.L.: Marketing pharmaceutical products in the Italian market.
- Pharma Mar S.R.L. Belgium: Marketing pharmaceutical products in the Belgian market.
- Pharma Mar Ges.m.b.H (Austria):Marketing pharmaceutical products in the Austrian market.
- Sylentis, S.A.U.: Research, development, production and sale of products with therapeutic activity based on reducing or silencing gene expression, and pharmaceutical derivatives of same in a range of formulations and applied in various ways to all types of diseases; it does not yet have any products on the market.

2. ACCOUNTING POLICIES

Below are described the main accounting principles adopted in drafting these consolidated financial statements. Those principles were applied on a consistent basis for all the years covered by these consolidated financial statements, except where indicated otherwise.

2.1 Basis of presentation

These consolidated financial statements for 2024 and those for 2023 presented for comparison were prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, and in accordance with the format and markup requirements established in European Commission Delegated Regulation EU 2019/815, whereby all companies governed by the law of a Member State of the European Union and whose shares are listed on a regulated market of a Member State must prepare their consolidated accounts, for annual periods beginning on or after 1 January 2005, in accordance with the IFRS adopted by the European Union.

The consolidated financial statements were drawn up using the historical cost method, though modified in the case of financial assets at fair value through other comprehensive income and financial assets and liabilities (including derivatives) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Note 4 details the areas that require greater judgment or are more complex and the areas where significant assumptions and estimates are made for the consolidated financial statements.

The accounting policies applied in preparing the consolidated financial statements as of 31 December 2024 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2023.The material estimates made in the 2024 financial statements are also consistent with those made in the 2023 financial statements.

The figures contained in the documents comprising these consolidated financial statements are expressed in thousands of euro.

2.2 Standards, amendments and interpretations that are obligatory for all annual periods beginning on or after 1 January 2024

In 2024, the following standards and amendments to existing standards were adopted by the European Union and entered into force on 1 January 2024; they have been applied by Pharma Mar group or their application may affect the Group in the future:

– IAS 1 (Amendment) "Presentation of financial statements", which seeks to clarify the classification of current and non-current liabilities. Specifically, it focuses on liabilities arising from debt arrangements subject to performance conditions (covenants) and regulates their disclosure in the financial statements.

- IFRS 16 (Amendment) - "Leases". The objective of this amendment is to specify how a seller-lessee subsequently measures transactions that meet the requirements of IFRS 15 for revenue from contracts with customers to be accounted for as a sale.

- IAS 7 "Cash flow statements" and IFRS 7 "Financial instruments: Disclosures". The amendment to the two standards establishes that information on supply chain finance arrangements must be disclosed to enable users of the financial statements to evaluate the effects of such arrangements on the Group's liabilities, cash flows and liquidity risk.

The entry into force of the aforementioned standards did not have a material impact on PharmaMar.

2.3 Standards, amendments and interpretations that have not yet entered into force but have been adopted by the European Union

At the date of signing these consolidated financial statements, the IASB and the IFRS Interpretations Committee had published the standards, amendments and interpretations described below whose application is mandatory from 2025 onwards. PharmaMar considers that the following could be applicable to the Group, although they have not been adopted early:

- IAS 21 "The effects of changes in foreign exchange rates". With this amendment, the IASB intends to provide greater clarity in the event of a prolonged lack of exchangeability between two currencies. The effective date of this standard proposed by the IASB is 1 January 2025.It is not expected to have a material impact on PharmaMar.

Standards, interpretations and amendments of existing standards that have not yet been adopted by the European Union:

At the date of authorizing these consolidated financial statements, the IASB and the IFRS Interpretations Committee (IFRIC) had published the standards, amendments and interpretations described below that are pending adoption by the European Union.PharmaMar considers that the following may be applicable to the Group:

- IFRS 18 "Presentation and disclosures in financial statements".The standard is intended to improve the way in which entities present their financial statements.The standard will introduce new

categories and subtotals in the income statement to enhance comparability, provide new requirements for the aggregation and disaggregation of material information to ensure that there is no concealment, and introduce uniform performance metrics.The effective date of this standard proposed by the IASB is 1 January 2027.PharmaMar will analyze the potential effects of the standard.

- IFRS 19 "Subsidiaries without Public Accountability:Disclosures".This new standard imposes lesser requirements in the production of financial statements of subsidiaries that are not publicly accountable.The effective date of this standard proposed by the IASB is 1 January 2027.It is not expected to have a material impact on PharmaMar.
- IFRS 9 "Financial instruments" and IFRS 7 "Financial instruments:Disclosures":The amendments to these two standards focus on completing, firstly, the post-implementation review of the impairment requirements under IFRS 9, concluding that the results were appropriate but observing the need to open a new project with the objective of improving the credit risk disclosure requirements under IFRS 7 and, secondly, amending both standards to adapt them to the characteristics of renewable power purchase agreements.The effective date of this standard proposed by the IASB is 1 January 2026.It is not expected to have a material impact on PharmaMar.

2.4 Consolidation principles

All undertakings over which the Group has control are classified as subsidiaries. The Group is considered to control an undertaking when it is exposed to variable returns from its involvement in the investee or is entitled to obtain or use them, and it can use its power over it to influence such returns. Subsidiaries are consolidated on the date on which their control is transferred to the Group and are deconsolidated on the date on which control ceases.

The Group uses the acquisition method to account for business combinations. Consideration for the acquisition of a subsidiary is measured as the fair value of the transferred assets, the liabilities incurred with the previous owners of the acquiree, and the equity instruments issued by the Group. The consideration will also include the fair value of any asset or liability which arises from any contingent consideration agreement.

The identifiable assets and liabilities acquired and the contingent liabilities assumed in a business combination are carried initially at their acquisition-date fair value.

For each business combination, the Group may elect to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognized in profit or loss in the years that they are incurred.

If the business combination takes place in stages, the pre-existing carrying amount of the acquirer's previously-held equity interest in the acquiree is remeasured at acquisition-date fair value. Any gain or loss arising from such remeasurement is recognized in profit or loss.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are subsequently remeasured at fair value through profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree with respect to the fair value of the identifiable net assets acquired is recognized as goodwill. If the total of the consideration transferred, the recognized non-controlling interest and previously-held equity interest is lower than the fair value of the net assets of a subsidiary acquired in very advantageous conditions, the difference is recognized directly in profit or loss.

If the subsidiary is fully consolidated, intercompany transactions, balances, and revenues and expenses on transactions between Group undertakings are eliminated.

Also eliminated are gains and losses on intercompany transactions recognized as assets. The accounting policies of the subsidiaries have been modified where necessary to ensure conformity with the Group's policies.

The subsidiaries within the consolidation scope are detailed in Note 1.

The financial year of all the subsidiaries is the calendar year.

2.5 Segment reporting

Operating segments are presented coherently with the internal information presented to the chief operating decision maker (CODM).The CODM is responsible for allocating resources to operating segments and for evaluating their performance. The Board of Directors has been identified as the CODM.

2.6 Foreign currency transactions

2.6.1 Functional and presentation currency

Items in the financial statements of each of the group's undertakings are measured using the currency of the primary economic environment in which the undertaking operates (the 'functional currency').The consolidated financial statements are presented in euro, which is PharmaMar's functional and presentation currency.

Pharma Mar USA, the US subsidiary, has the euro as its functional currency, mainly because of its financing sources and its activity.

2.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in profit or loss.

Foreign exchange gains and losses are presented in the income statement under "Finance costs - net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities, such as equities held at fair value through profit or loss, are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equity securities classified as financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

2.6.3 Group undertakings

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities on each balance sheet are translated at the closing exchange rate on the balance sheet date;

- revenues and expenses in each income statement and statement of other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at the transaction dates), and

- all resulting exchange differences are recognized in other comprehensive income.

In the consolidation process, translation differences arising from the conversion of loans are recognized in 'Other comprehensive income'. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

2.7 Property, plant and equipment

The property comprises mainly the buildings and installations of the controlling company in Colmenar Viejo, Madrid (PharmaMar) and Getafe, Madrid (Sylentis).Items of property, plant and equipment are recognized at cost less any accumulated depreciation and impairment, except in the case of land, which is presented net of impairment.

Historical cost includes expenses directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance expenses are expensed as incurred.

Land is not depreciated. Other assets are depreciated by the straight-line method to assign the difference between the cost and residual value over their estimated useful lives:

ASSETS	Years of useful life
Structures	25-30
Machinery and installations	10
Tools and equipment	3-10
Furniture and fixtures	10
Vehicles	4-7
Computer hardware	4-7
Other assets	7-15

The residual value and the useful life of an asset are reviewed, and adjusted if necessary, at each balance sheet date.

When the carrying amount of an asset exceeds its estimated recoverable amount, its value is written down immediately to the recoverable amount. Gains and losses on the sale of property, plant and equipment, which are calculated by comparing the proceeds with the carrying amount, are recognized in profit and loss.

2.8 Investment property

The Group classifies as "investment property" the property held to earn rent or for capital appreciation, or both, which is not occupied by the Group. The Group uses the cost model.

2.9 Intangible assets

2.9.1 *Research & development expenses*

Research and development expenses are expensed as incurred. Development project costs (design and clinical trials of new and improved products) are recognized as intangible assets when it is probable that the project will be successful, based on its technical and commercial viability; specifically, they are capitalized when the following requirements are met:

(i) It is technically possible to complete production of the intangible asset so that it may be available for use or sale;

(ii) Management intends to complete the intangible asset in question for use or sale;

(iii) There is the capacity to use or sell the intangible asset;

(iv) The form in which the intangible asset will generate likely economic benefits in the future is demonstrable;

(v) Sufficient technical, financial and other resources are available to complete development and to use the intangible asset; and

(vi) The cost attributable to the intangible asset during development can be measured reliably.

Considering the nature of the development expenses incurred by the Group, i.e. connected to pharmaceutical development, and in line with standard practice in the industry, the requirements for capitalization are considered to be fulfilled in the registration phase.

Development costs with a finite useful life that are recognized as an asset are amortized on a straight-line basis from the end of the project, understood as the moment in which appropriate approvals have been received from the regulatory bodies and the Company has the capacity to sell in the market for which the authorization has been received. That useful life is estimated as the period in which profits are expected to be generated, which normally coincides with the patent's period of validity. Other development expenses are expensed as incurred.

Development costs that were previously expensed are not capitalized as an intangible asset in a subsequent year.

2.9.1.1 Computer programs

Acquired computer software licenses are capitalized based on the costs incurred to acquire and prepare them for using the specific program. Those costs are amortized over their estimated useful lives (generally 5 years).

Computer program maintenance costs are recognized in profit or loss as incurred. There are currently no development expenses directly attributable to the design and testing of computer programs that are identifiable, unique and susceptible to being controlled by the Group.

2.10 Impairment losses on non-financial assets

Intangible assets that have an indefinite useful life and intangible assets under development are not amortized and are tested annually for impairment. Assets that are amortized are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is determined as the fair value less selling costs, or the value in use, whichever is higher. To perform the impairment tests, the assets are grouped at the lowest level of separately identifiable cash flows (cash-generating units).Pre-existing impairment losses on non-financial assets (other than goodwill) are reviewed at each reporting date to consider the possibility of reversing the impairment.

2.11 Leases

The Group leases a number of offices, warehouses, items of equipment and automobiles. The leases are normally for fixed terms ranging from 2 to 4 years and may contain extension options. The lease conditions are negotiated individually and their terms and conditions vary considerably. The lease terms do not impose any commitments on the Group and the leased assets cannot be used as collateral for loans.

The contracts may contain lease and non-lease components. The Group assigns the consideration in the contract to the lease and non-lease components based on their independent relative prices. However, for leases of properties in which the Group is a lessee, it has chosen not to separate the lease and non-lease components and, instead, accounts for them as a single lease component.

The lease conditions are negotiated individually and their terms and conditions vary considerably. The leases do not impose any covenants other than the lessor's rights in rem over the leased assets. Leased assets cannot be used as collateral for indebtedness purposes.

Assets and liabilities derived from leases are initially measured on the basis of present value. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments) less any outstanding lease incentive.
- variable lease payments depending on an index or rate, initially measured according to the index or rate on the initial date.

- amounts expected to be paid by the Group as residual value guarantees.

- the strike price of a purchase option if the Group is reasonably certain that it will exercise that option, and

- payment of lease termination penalties, if the Group has the choice of terminating under the lease terms.

- lease payments to be made under reasonably certain extension options are also included when measuring the liability.

At present, practically all the leases signed by the Group contain a fixed component which only varies when rent is updated annually linked to a price index, and which is reflected in the lease liability at the time when its definitive value is known.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case in the Group's leases, the lessee's incremental borrowing rate is used, i.e. the rate that the individual lessee would have to pay to borrow the funds required to acquire an asset of similar value to the right-of-use asset in a similar economic environment in similar terms, guarantees and conditions.
To determine the incremental borrowing rate, the Group calculates its risk premium each year and applies the following indices for each functional currency:

• EUR:EURIBOR
• USD:LIBOR

Moreover, since each lease has a different term, the variable references (EURIBOR and LIBOR) are replaced by the swap rate at each expiration date. In this way, each contract has a different discount rate that is adapted to its term but always calculated on the basis of the same risk premium.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is re-measured and adjusted against the right-of-use asset.

Lease payments are split between the principal and the interest cost. The interest cost is expensed over the lease term so as to produce a constant periodic interest rate on the outstanding balance of the liability in each period.

Right-of-use assets are measured at cost, comprising:

- the amount of the initial measurement of the lease liability

- any lease payment made on or before the initial date, less any lease incentive received

- any initial direct cost, and

- restoration costs.

Right-of-use assets are generally amortized on a straight-line basis over the asset's useful life or the lease term, whichever is shorter. If the Group is sure that it will exercise the purchase option, the right-of-use asset is amortized over the asset's useful life.

The term of the lease contracts has been estimated on the basis of the non-cancelable period of each lease, plus the periods covered by the option to terminate the contract, as the Group is reasonably certain that this option will not be exercised.

The judgments applied to determine the existence or not of reasonable certainty focus primarily on two aspects:

- If the Group has not taken action to cancel a revocable contract or a contract with a maturity of less than one year, it assumes that the contract will be extended.

- The contractual terms and conditions applicable to the periods covered by the termination option were advantageous in relation to market prices.

The Group considers that all the flows derived from these options are reflected in the valuation of the lease liabilities, since they were calculated having regard to all the terms of the contracts in force, regardless of whether they are revocable or not.

Payments for short-term leases of machinery and equipment and all leases of low-value assets are expensed on a straight-line basis. Leases for 12 months or less are classified as short-term leases. Low-value assets include computer hardware and small items of office furniture.

2.11.1 Extension and termination options

Some leases for offices and equipment contain extension or early termination options. Those options can be exercised at the election of the Group, not of the respective lessor.

The Group does not have significant investments in leased premises that encourage continuity or discourage termination. The contracts signed by the Group establish non-cancelable periods and, in some cases, specify additional penalties consisting of the payment of the rent that would accrue up to the end of such periods. The Group recognizes such possible penalties to the extent that, as indicated above, the periods covered by the option to terminate the contract are included with the non-cancelable periods.

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those that are subsequently measured at fair value (with changes through either profit and loss or other comprehensive income), and
- those that are measured at amortized cost.

The classification depends on the business model used by the undertaking to manage the financial assets and on the contractual terms of the cash flows.

For assets at fair value, gains and losses are recognized in profit and loss or other comprehensive income. For investments in equity instruments that are not held for trading, it will depend on whether the Group made an irrevocable choice at the time of initial recognition to account for the equity investment at fair value with changes in other comprehensive income.

The Group reclassifies investments in debt if and only if it changes its business model for managing those assets.

2.12.1.1 Recognition and derecognition

Conventional acquisitions or disposals of financial assets are recognized on the trade date, i.e. the date on which the Group undertakes to acquire or sell the asset. Financial assets are derecognized when the rights to receive the related cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.12.1.2 Measurement

At the time of initial recognition, the Group measures a financial asset at fair value plus, in the case of financial assets not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are expensed through profit or loss.

Financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the characteristics of the asset's cash flows. The Group classifies its financial assets in the following three measurement categories:

- Amortized cost: Assets held for the collection of contractual cash flows, when those cash flows represent only payments of principal and interest, are measured at amortized cost. Interest revenues from these financial assets are recognized under financial revenues according to the effective interest rate method. Any gain or loss that arises on derecognition is recognized directly in profit or loss along with gains and losses from exchange differences. Impairment is recognized separately in the income statement.

- Fair value through other comprehensive income: Assets held for the collection of contractual cash flows and financial assets held for sale, when the cash flows from the assets represent only payments of principal and interest, are measured at fair value with changes through other comprehensive income. Changes in the carrying amount are recognized in other comprehensive income, except for the recognition of impairment gains or losses, ordinary interest revenues, and gains or losses from exchange differences, which are recognized in profit or loss. When the financial asset is derecognized, the accumulated gain or loss recognized previously in other comprehensive income is reclassified from equity to profit or loss. Interest revenues from these financial assets are recognized under financial revenues according to the effective interest rate method. Exchange gains and losses are presented in other gains and losses and the impairment expense is presented as a separate item in the income statement.

- Fair value through profit or loss: Assets that do not qualify for amortized cost or for fair value through other comprehensive income are recognized at fair value through profit or loss. A gain or loss on an investment in debt that is recognized subsequently at fair value through profit or loss is recognized in profit or loss and is presented net in the income statement within other gains/(losses) in the year in which it arises.

Equity instruments

The group subsequently measures all investments in equity at fair value. Where the group's management has chosen to present the fair value gains and losses on investments in equity through other comprehensive income, there is no subsequent reclassification of the fair value gains and losses to profit or loss following derecognition in the investment accounts. Dividends from such investments continue to be recognized in profit or loss as other revenues when the company's right to receive payments is established.

2.12.2 Impairment

The Group measures on a prospective basis the expected credit losses associated with its assets at amortized cost and at fair value through other comprehensive income. The methodology applied to impairment depends on whether there has been a significant increase in credit risk.

For trade accounts receivable, the group applies the simplified approach allowed by IFRS 9, which requires that the expected losses over their lifetime be recognized from the point of initial recognition of the accounts receivable (see Note 3.3 "Credit risk" for more details).

2.13 INVENTORIES

Inventories are measured at the lower of cost or net realizable value.Net realizable value is the estimated selling price in the ordinary course of business less the variable costs necessary to make the sale.

Cost is determined as follows:

- Trade inventories, raw materials and other supplies: weighted average cost.

- Finished and semi-finished products and products in process: weighted average cost of the raw and ancillary materials used, plus the applicable amount of direct labor and general manufacturing expenses (based on normal production capacity).

Inventories acquired and/or produced for the purposes of commercializing drugs are capitalized when the requirements indicated in Note 2.9.1 are met. Inventories are impaired up to that point, and the impairment is reversed once those requirements are met.

2.14 Trade receivables

Trade receivables are recognized initially at fair value and subsequently at amortized cost based on the effective interest rate method, less any impairment. See Note 13 for additional information on how the Group accounts for trade accounts receivable and Note 3.3 for a description of the Group's policies in relation to impairment.

Trade accounts receivable are amounts owed by customers for goods or services provided in the ordinary course of business. They are usually settled between 60 and 90 days and, therefore, are classified as current. Trade accounts receivable are initially recognized at the amount of the consideration that is unconditional, unless they contain a material financial component, in which case they are recognized at fair value. The group holds trade accounts receivable in order to collect the contractual cash flows and, therefore, they are measured subsequently at amortized cost using the effective interest rate method. Details of the accounting policies regarding impairment and the calculation of impairment are provided in Note 3.3 "Credit risk".

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at banks, and other short-term, highly-liquid investments with an initial maturity of three months or less. Bank overdrafts are classified as interest-bearing debt under current liabilities in the balance sheet.

2.16 Share capital and distribution of dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares and options are shown in equity as a deduction, net of tax, from the proceeds.

When any Group undertaking acquires shares of the controlling company, the consideration paid, including any directly attributable incremental costs (net of corporate income tax), is accounted for under “Own shares”, deducting equity attributable to the controlling company's equity holders until cancellation, re-issuance or disposal.

Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related corporate income tax, is accounted for under Own shares (acquisition cost) and Retained earnings (difference between the consideration and acquisition cost), increasing equity attributable to equity-holders of the controlling company.

Dividends on ordinary shares are recognized under liabilities in the year that they are approved by the Company's shareholders.

2.17 Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grants will be received and the Group will fulfil all the conditions attached to them. These grants are recognized on the basis of their maturity.

Government grants related to the acquisition of fixed assets are included under “Subsidies” and are recognized under “Other gains” in the consolidated income statement on a straight-line basis over the expected useful life of those assets.

Subsidies related to the Group's research and development projects are recognized in the consolidated income statement in proportion to the amortization of these intangible assets or when the asset is disposed of, impaired or derecognized. Subsidies tied to specific expenses are recognized in the income statement in the year in which the related expenses accrue.

Monetary subsidies are recognized at the fair value of the amount granted and non-monetary subsidies at the fair value of the received asset, at the time of recognition in both cases.

2.18 Supplier and other accounts payable

Trade accounts payable are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if the payments fall due in one year or less.

2.19 Interest-bearing debt

Interest-bearing debt is recognized initially at fair value, net of the transaction costs incurred. Subsequently, debt is measured at amortized cost based on the effective interest rate method. The difference between the funds obtained (net of the necessary costs to obtain them) and the reimbursement value is recognized in profit or loss over the debt term based on the effective interest rate method.

Interest-bearing debt is classified under current liabilities unless the Group has an unconditional right to defer the liability settlement for at least twelve months from the balance sheet date.

When a loan is renegotiated, a decision is made whether or not to derecognize it as a financial liability depending on whether the initial loan varies and whether the present value of the cash flows, including net fees, using the effective interest rate of the original contract, differs by more than 10% with respect to the present value of the cash flows payable prior to renegotiation.

2.20 Current and deferred taxes

The income tax expense includes both current and deferred taxes. The tax is recognized in the consolidated income statement except to the extent that it refers to items recognized directly in equity. In that case, the tax is also recognized directly in consolidated equity.

The current tax expense is calculated on the basis of tax law in force on the balance sheet date. Management regularly evaluates positions adopted in connection with tax returns regarding situations where the tax regulations are open to interpretation, and recognizes any necessary provisions on the basis of the amounts expected to be paid to the tax authorities.

Deferred taxes are measured on the basis of the temporary differences arising between the tax base of the assets and liabilities and their carrying amounts in these consolidated financial statements. However, deferred taxes arising from the initial recognition of an asset or liability in a transaction other than a business combination that does not affect the accounting result or the taxable gain or loss at the transaction date are not recognized.

The deferred tax is determined by applying the tax rates and laws enacted or substantively enacted on the balance sheet date and which will be applicable when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized when it is probable that there will be future taxable income to offset the temporary differences.

The Group may offset unused tax losses against profit in subsequent tax periods up to a limit of 25%.

Deferred tax assets are recognized for tax-deductible temporary differences arising from investments in subsidiaries, associates and joint agreements only to the extent that the temporary difference is likely to be reversed in the future and sufficient taxable profit is expected to be obtained against which to offset the temporary difference.

Deferred tax assets and liabilities are offset if and only if there is a legally acknowledged right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities arise from the tax on income levied by the same tax authority on the same undertaking or taxable subject, or on different undertakings or taxable subjects that settle current tax assets and liabilities for their net amount.

As a result of the application of Spanish Act 27/2014, of 17 December, on Corporate Income Tax, certain deductions for research and development may be monetized with a 20% discount on the tax payable, subject to certain conditions. When the Group makes the decision to monetize tax credits, based on certified reports evidencing those amounts, and there is a reasonable expectation that the total average personnel, or average R&D personnel, will be maintained for two years, and the amounts collected from the monetization of these tax credits are reasonably expected to be reinvested in R&D activities, the amount of the monetization is recognized under deferred tax assets (equivalent to 80%).

2.21 Employee benefits

2.21.1 Share-based payments

The Group has share-based equity-settled employee incentive plans which vest after employees have worked at the Group for a specific period.

The fair value of the services to be provided by those employees is determined with respect to the fair value of the shares granted. That amount is recognized in the income statement as a personnel expense over the vesting period, while simultaneously recognizing a reserve for the incentive plans, for the same amount, under equity. The Group regularly reviews its assumptions and adjusts any deviation arising from employee rotation.

2.21.2 Termination indemnities

Termination indemnities are paid to employees as a result of the Group's decision to terminate the employment contract before the normal retirement age or when the employee agrees to resign voluntarily in exchange for those benefits. The Group recognizes these benefits on the following date, whichever is earlier:(a) when the Group can no longer withdraw the offer of such indemnities, or (b) when the undertaking recognizes the costs of a restructuring in the scope of IAS 37 and it entails the payment of termination indemnities. When an offer to encourage voluntary termination by employees is made, termination indemnities are measured on the basis of the number of employees expected to accept the offer. Benefits that are not to be paid in the twelve months following the balance sheet date are discounted to their present value.

2.22 Provisions

Provisions for environmental restoration and for restructuring and litigation costs are recognized when:

- the Group has a present obligation, legal or implicit, as a result of past events;
- a cash outflow is likely to be needed to settle the obligation; and
- the amount can be estimated reliably. Restructuring provisions include lease cancelation penalties and employee termination indemnities. No provisions are recognized for future operating losses.

Where there are a number of similar obligations, the probability of the need for a cash outflow to settle them is determined considering the obligations as a whole. A provision is recognized even if the probability of an outflow in connection with any item in the same class of obligations is low.

Provisions are calculated at the present value of the disbursement expected to be needed to settle the obligation, using a pre-tax rate that reflects current market measurements of the time value of money and the specific risks attached to the obligation. An increase in the provision due to the passage of time is recognized as an interest expense.

2.23 Revenue from contracts with customers

Revenues are recognized when control of the goods or services is transferred to the customer. At that time, revenue is recognized for the amount of the consideration expected to be received in exchange for the transfer of committed goods and services under the contracts with customers, as well as other revenue not arising from contracts with customers that constitute the Group's ordinary business.

The amount to recognize is determined by deducting, from the amount of the consideration for the committed transfer of goods or services to customers or other revenues from the Group's ordinary activities, the amount of discounts, refunds, price reductions, incentives or rights granted to customers, as well as value added tax and other directly related taxes that must be charged to customers.

2.23.1 Product sales

In this case, revenues are recognized at the time that control of the asset is transferred to the customer, generally when the goods are delivered to the final customer; this transfer of control does not differ from the transfer of the material risks and benefits inherent in the ownership of the goods.

Receivables from official authorities as a result of sales of products are generally recognized for the amount receivable, which does not differ significantly from fair value. Balances with official authorities are monitored for late payment analysis purposes and late payment interest is claimed when the standard terms are not met (Note 13).

2.23.2 Licensing, development and other similar agreements

Revenues under licensing and development agreements are recognized in accordance with the accrual of the identified performance obligations, which have been previously assigned a price in a process of analyzing the agreement, and of milestones attained.

In the normal course of its business, the Group has developed intellectual property on certain compounds and has signed licensing and development agreements with certain pharmaceutical companies. Under these agreements, third parties are granted licenses to use the products developed by the Group and/or are given access to products under development (generally through development agreements).The agreements under which these transfers, assignments or accesses are granted are generally complex and include multiple components in two distinct phases: development and marketing. The associated revenue must be matched with the Group's performance obligations.

The Company takes account of the following factors when analyzing licensing, development and marketing contracts:

- Identification of the performance obligations.
- Determination of the transaction price, taken as the value of the contract signed with the counterparty.
- Allocation of the transaction price to the various performance obligations.
- The estimate of when those obligations are considered to have been discharged and, therefore, when the consideration received is accrued and subsequently recognized.

This revenue is recognized at the point at which control of the asset is transferred to the client, which may be at a certain point in time (as in the sale of licenses for use), or over a period of time (as in the case of the transfer of services, or where what is being transferred is a right of access).

As indicated in the first paragraph, licensing and/or development agreements tend to be complex and include multiple components in two distinct phases: development and marketing. In connection with the compound development phase, they include:

- Upfront payments collected by PharmaMar, which are generally non-refundable. Exceptionally, some agreements may provide conditions under which a portion of the upfront payment must be reimbursed.
- Milestone payments, triggered when the compound to which the agreement refers attains development milestones, generally of a regulatory nature.

In the marketing phase, they include:

- Royalty payments,

- Revenues from the supply of products (raw materials).

- Payments triggered when the compound to which the agreement refers attains commercial milestones, such as accumulated sales volumes.

As a general rule, upfront payments are recognized as revenues in the year in which they are collected, provided that:

- they are not refundable,
- the Group does not assume material future obligations (except those for which separate consideration is provided for under arm's-length conditions), and
- control of the asset is transferred.

In the event that those conditions are not met, they are recognized as contractual liabilities.

Contractual liabilities are recognized in profit or loss over the term of the related commitments as a function of the degree of progress of the project, as the obligations set out in the contract are met.

Additionally, any consideration linked to fulfillment of certain technical or regulatory requirements (milestones) in the framework of cooperation agreements with third parties is recognized on the basis of the same rules as for upfront payments set out above.

The Group does not recognize revenues in excess of the amount to which it is entitled.

2.23.3 Royalty revenues

Royalty revenue is recognized on the basis of the agreed percentage of sales by the counterparty to the agreement at a given point in time.

Payments attributed to the marketing phase, i.e. royalties, are recognized on an accrual basis once marketing commences.

Royalties are set on an arm's-length basis and supply contract prices are based on market manufacturing margins.

2.23.4 Variable consideration

Some contracts with customers provide the right to trade discounts and volume discounts. The Group currently recognizes revenues from the sale of assets at the fair value of the consideration received or receivable. Returns are deducted from revenues.

2.23.5 Financial component of contractual liabilities

The Group receives long-term advances from its customers under license contracts.

Based on the nature of the services offered and the terms of collection, the Group has determined that, in the case of license contracts that require customers to pay advances that in some cases may be long-term, the terms of collection were structured mainly for reasons other than the obtainment of finance for the Group since the financial structure of the Group is stable. These advance receipts are common practice in the biopharmaceutical industry.

2.23.6 Services

Revenue from the provision of services is recognized in the accounting period in which the service is delivered, by reference to the degree of completion of the specific transaction, and measured on the basis of the current service expressed as a percentage of the total services to be provided.

3. FINANCIAL RISK MANAGEMENT

3.1.1 Financial risk

The Group's activities are subject to a number of financial risks: market risk (including exchange rate risk, interest rate risk, fair value risk and price risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the uncertainty of the financial markets and tries to minimize the potential adverse effects on the Group's returns. The Group occasionally uses financial derivatives to hedge certain risk exposures.

Pharma Mar's Finance Department is responsible for risk management in accordance with the Board of Directors' guidelines. That Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board establishes guidelines for overall risk management and for specific areas such as exchange rate risk, interest rate risk, liquidity risk, the use of derivatives and non-derivatives, and investment of surplus liquidity.

3.2 Market risk

3.2.1 Exchange rate risk

Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

The Oncology segment engages in material transactions in foreign currencies.

They relate mainly to licensing and development agreements and royalties in US dollars amounting to €103,812 thousand in 2024 and €86,616 thousand in 2023.Group management did not consider it necessary to establish a hedging policy in 2024 and 2023.

The Company operates internationally and, therefore, is exposed to exchange rate risk on transactions in foreign currencies, particularly the US dollar and Swiss franc. Exchange rate risks arise from future commercial balances and recognized assets and liabilities in foreign operations.

As of 31 December 2024, asset and liability balances denominated in currencies other than the euro, mainly US dollars and Swiss francs, amounted to €40,418 thousand (€47,092 thousand in 2023).The main balances in foreign currency in 2024 were financial assets.

If, as of 31 December 2024, the euro had appreciated by 5% with respect to the US dollar while all other variables remained constant, income after taxes for the year would have been lower by €1,220 thousand (€1,446 thousand in 2023), mainly as a result of translation into euro of investments.

If, as of 31 December 2024, the euro had depreciated by 5% with respect to the US dollar while all other variables remained constant, income after taxes for the year would have been higher by €1,281 thousand (€1,518 thousand in 2023).

If, as of 31 December 2024, the euro had appreciated by 5% with respect to the Swiss franc while all other variables remained constant, income after taxes for the year would have been lower by €129 thousand (€116 thousand in 2023), mainly as a result of translation into euro of investments.

If, as of 31 December 2024, the euro had depreciated by 5% with respect to the Swiss franc while all other variables remained constant, income after taxes for the year would have been higher by €136 thousand (€122 thousand in 2023).

Management does not consider it necessary to establish any policy for hedging the foreign currency risk vs. the functional currency.

3.2.2 Interest rate risk on cash flows and fair values

The Group's interest rate risk arises from remunerated financial assets recognized at amortized cost and from borrowings at floating rates.

Remunerated financial assets consist basically of government bonds, bank commercial paper and time deposits remunerated at fixed interest rates.

With respect to financial liabilities, as of 31 December 2024, interest rate risk was basically due to the Group's bank debt, of which approximately 14.7% (30.9% as of 31 December 2023) was at floating rates indexed to Euribor. As of 31 December 2024, bank debt amounted to €19,924 thousand (€9,985 thousand as of 31 December 2023).

The Group analyses its exposure to interest rate risk dynamically. It simulates a number of scenarios considering refinancing, roll-overs, alternative financing and hedging. Based on those scenarios, the Group calculates the effect on income of a given variation in interest rates.

Each simulation assumes the same change in interest rates in all currencies. The scenarios are applied only to the largest interest-bearing assets and liabilities.

If, as of 31 December 2024, the interest rates on the interest-bearing debt and assets remunerated at variable interest rates had been 100 basis points higher while all other variables remained constant, income after tax would have been higher by €825 thousand (€849 thousand in 2023).

3.2.3 *Price risk*

The Group is exposed to price risk on equity instruments classified as financial assets at fair value through other comprehensive income, and on the price of listed mutual fund units at fair value through profit or loss.

The investments in equity instruments classified as financial assets at fair value through other comprehensive income are shares of foreign biopharmaceutical companies. Nevertheless, the Group's volume of investment in this type of asset is not material in the context of the Group's operations (Note 12.1).

The Group's policy with regard to those financial assets is to place cash in low-risk financial assets in order to ensure the availability of funds as they are needed for research and development operations in the Oncology segment.

3.3 Credit risk

Credit risk arises on cash and cash equivalents, contractual cash flows from investments in debt recognized at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, in-the-money derivative financial instruments and deposits with banks and financial institutions, as well as on exposure to credit to customers, including accounts receivable.

3.3.1 Risk management

The banks and financial institutions with which the Group works generally have independent ratings.

Where customers are independently rated, that rating is used. Otherwise, the Group assesses the risk on the basis of the customer's financial position, past experience and other factors. Where there is no doubt about a customer's solvency, no credit limits are set.

The Group applies the following policies when investing in mutual funds:

- Fixed-income funds that invest in sovereign or private-sector debt (bonds, bills, commercial paper), generally secured, which pay periodic coupons.

- Money market funds comprising fixed-income securities, where security is given priority in exchange for a slightly lower yield than other investments.

The credit quality of the financial assets and of customers with which the Group had balances as of 31 December 2024 and 2023 is set out in Note 11.The composition of the Group's financial assets is set out in Notes 12 and 13.

Regarding credit risk concentration, as of 31 December 2024, the Group had government bonds and bank products and balances at nine credit institutions amounting to €145,066 thousand (€154,532 thousand at eight institutions in 2023).

3.3.2 Impairment losses on financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- Trade accounts receivable for the sale of products.
- Current financial assets at amortized cost.

3.3.2.1 Trade receivables

The Group applies the simplified approach allowed by IFRS 9 for measuring expected credit losses, under which an impairment is recognized for the losses expected over the lifetime of the trade accounts receivable.

To measure expected credit losses, trade accounts receivable are grouped on the basis of the characteristics of shared credit risk and days past due.

To calculate the expected loss on trade accounts receivable, the weighted average maturity of these accounts was calculated together with their nominal amount.

Then, the average rating of the pharmaceutical sector was taken from the latest issue of the S&P Industry Trends Health Care report.

Then, the CDS curve for pharmaceutical companies for the rating in question was obtained from Bloomberg and converted into probability of default (PD), applying this probability to the nominal weighted average maturity calculated to obtain the expected loss.

Trade accounts receivable are derecognized when there is no reasonable prospect of recovery. Indicators that there is no reasonable prospect of recovery include failure by the debtor to commit to a payment plan with the Group, and failure to make the contractual payments.

With regard to credit risk with public authorities, management analyzes the credit quality and recoverability of outstanding balances and generally claims default interest when the average collection period exceeds 365 days (Note 13).

3.3.2.2 Current financial assets at amortized cost

All of the undertaking's investments in debt at amortized cost are considered to have a low credit risk and, therefore, impairment recognized during the year was confined to losses expected in 12 months. Management considers that "low risk" for listed bonds is an investment grade credit rating from at least one major credit rating agency. Other instruments are considered to be of low credit risk when they have a low default risk and the issuer has considerable capacity to honor its contractual cash flow obligations in the short term.

3.4 Liquidity risk

Prudent liquidity risk management entails having sufficient cash and marketable securities, financing via sufficient credit facilities, and the capacity to settle positions in the market. The goal of the Group's treasury department is to maintain flexibility in funding by having credit lines and sufficient funds in financial assets to cover obligations, particularly those of the Oncology segment.

As of 31 December 2024, the Group held cash and cash equivalents plus current financial assets amounting to €154,527 thousand (€162,562 thousand in 2023) and non-current financial assets amounting to €2,459 thousand (€6,062 thousand in 2023).

As of 31 December 2024, the Group's current interest-bearing debt stood at €9,847 thousand (€14,805 thousand in 2023) and its non-current interest-bearing debt was €41,228 thousand (€28,864 thousand in 2023).

In 2024, the Group generated €6,915 thousand in cash in operating activities, while in 2023 it consumed cash flows in the amount of -€13,446 thousand.

The following should be noted in connection with the Group's liquidity position as of 2024 year-end:

- The Group ended 2024 with cash and cash equivalents plus current financial assets amounting to €154,527 thousand.
- The Group had unused credit lines in the amount of €14,782 thousand as of 31 December 2024.
- Working capital is positive in the amount of €167,554 thousand.

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The Group regularly monitors liquidity projections on the basis of expected cash flows, and Management considers that it has sufficient cash, tradeable securities and credit lines available to meet its liquidity needs and payment commitments within the time horizon that is considered to be necessary.

At least once per year, the Company's finance department presents the directors with a business plan for the next five years, together with cash flow estimates for the following year, including a range of scenarios for the source and application of funds, based on progress with ongoing research.

Consequently, at the time of authorizing these consolidated financial statements, the directors consider that the Group has sufficient liquidity to cover its research and development projects and honor its future payment obligations.

The table below shows an analysis of the Group's financial liabilities grouped by maturity based on the period remaining between the balance sheet date and the contractual maturity date, including the corresponding interest. The amounts in the table are the contractual cash flows, which have not been discounted. Since those amounts have not been discounted, and they include future interest, they are not comparable with the amount of borrowings and supplier and other accounts payable recognized in the balance sheet.

Financial liabilities, by maturity, as of 31/12/24 (thousand euro)	**2025**	**2026-2027**	**2028-2030**	**2031 and thereafter**	**Total**
Bank debt and other interest-bearing debt	7,966	31,021	11,013	2,059	52,059
Contractual liabilities	3,973	7,947	7,946	-	19,866
Finance lease liabilities	1,881	1,356	54	-	3,291
Supplier and other accounts payable	51,578	-	-	-	51,578
Subsidies	-	638	517	121	1,276
Other current liabilities	13,943	-	-	-	13,943
Total liabilities	**79,341**	**40,962**	**19,530**	**2,180**	**142,013**

Financial liabilities, by maturity, as of 31/12/23 (thousand euro)	**2024**	**2025-2026**	**2027-2029**	**2030 and thereafter**	**Total**
Bank debt and other interest-bearing debt	12,825	6,023	23,034	2,647	44,529
Contractual liabilities	24,927	7,947	11,919	-	44,793
Finance lease liabilities	1,980	1,675	253	-	3,908
Supplier and other accounts payable	40,297	-	-	-	40,297
Subsidies	-	1,364	663	244	2,271
Other current liabilities	12,457	-	-	-	12,457
Total liabilities	**92,486**	**17,009**	**35,869**	**2,891**	**148,255**

3.4.1 Capital management

To date, the Group's objectives with regard to capital have been to safeguard its capacity to continue as a going concern and to raise sufficient liquid funds to finance operations, basically in the Oncology segment, having regard to the projected timelines for product launches in the market, research and development cash needs, and the costs of the various sources of funding.

The Group monitors its capital on the basis of the leverage ratio. This is calculated as net debt divided by total capital.Net debt is calculated as total borrowings (including current and non-current borrowings, as shown in the consolidated balance sheet) less cash and cash equivalents and financial assets. Capital is calculated as equity, per the consolidated financial statements, plus net debt.

Total capital and leverage (thousand euro)	**31/12/24**	**31/12/23**
Non-current financial debt	(39,865)	(27,036)
Current interest-bearing debt	(7,966)	(12,825)
Non-current lease liabilities	(1,363)	(1,828)
Current lease liabilities	(1,881)	(1,980)
Cash and cash equivalents	63,239	60,024
Non-current and current financial assets	93,747	108,600
Net financial debt (1)	**105,911**	**124,955**
Equity (2)	**(208,359)**	**(193,438)**
(1)+(2)	**(102,448)**	**(68,483)**
Leverage	**0.00%**	**0.00%**

During the year, Group cash and financial assets (current and non-current) led to a cash position of €156,986 thousand, which exceeded the amount of debt plus equity, with the result that there was zero leverage in 2024, as was also the case in 2023.

3.4.2 Fair value estimates

Financial instruments are classified as follows on the basis of the valuation method:

- Level 1.Quoted prices in active markets for identical assets or liabilities.
- Level 2.Observable inputs for the instrument, either direct (prices) or indirect (price-based).
- Level 3.Inputs not based on observable market data.

The table below presents the Group's assets and liabilities at fair value as of 31 December 2024:

Fair value estimates 2024 (thousand euro)	**Level 1**	**Level 3**	**Total**
Financial assets at fair value through profit or loss			
Term financial assets (Note 10)	2,847	-	**2,847**
Financial assets at fair value through other comprehensive income			
- Equity securities, net (Note 12)	29	302	**331**
Total assets	**2,876**	**302**	**3,178**

The table below presents the Group's assets and liabilities at fair value as of 31 December 2023:

Fair value estimates 2023 (thousand euro)	Level 1	Level 3	Total
Financial assets at fair value through profit or loss			
Term financial assets (Note 10)	5,968	-	**5,968**
Financial assets at fair value through other comprehensive income			
- Equity securities, net (Note 12)	28	302	**330**
Total assets	**5,996**	**302**	**6,298**

The fair value of financial instruments that are traded in an active market is based on the market price on the balance sheet date. A financial instrument is considered to be traded in an active market if listed prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual market transactions occurring regularly on an arm's-length basis. The listed market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined by using measurement techniques. Measurement techniques make the maximum use of observable market data and are based as little as possible on specific estimates by the undertakings. If all material data items required to measure an instrument's fair value are observable, the instrument is classified as Level 2.

If one or more of the significant items of data is not based on observable market data, the instrument is classified as Level 3.

An instrument is classified on the basis of the lowest level of input that is significant to the measurement of fair value in its entirety.

The fair value of unlisted fixed-income debt securities is the price at which the internal rate of return matches the market yields in the government bond market at any given time.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

Assumptions and estimates are reviewed periodically and are based on past experience and other factors, including future expectations or future events that are considered to be reasonable in certain circumstances. The outcome of those events may differ from the initial projections.

Recognition of revenue under licensing and/or co-development agreements (Note 2.23.2)

The Oncology segment of the Group enters into licensing and/or co-development agreements with third parties. Those agreements generally include multiple components and the associated revenue must be matched with the costs and performance obligations to be borne by the Group.

The Group takes a number of factors into account when analyzing licensing, development and marketing contracts, which are described in Note 2.23.2.

Deferred tax assets (Note 2.20)

The Spanish undertakings in the Group have significant unused tax losses and tax credits as well as other deductible temporary differences (Note 22).

The main source of information for assessing the recoverability of deferred tax assets is the projection of expected taxable profits. In calculating these expected profits, only compounds in phase III clinical development are taken into consideration, i.e. those at a very advanced stage of development that, therefore, have a higher probability of success.

The Group assesses the recoverability of the related deferred tax assets on the basis of estimates of future taxable income over a period of five years. The recoverability of deferred tax assets depends ultimately on the

Group's ability to generate sufficient taxable income in the periods in which those deferred taxes are deductible. Changes in future tax rates or in the prospects of generating taxable income against which to recover the carrying amount of deferred tax assets may result in changes in that carrying amount.

The main assumptions made in calculating expected future income and, therefore, the recoverability of the tax credits generated by the undertakings that belong to the tax group in Spain are as follows:

- The tax budget is based on the budget presented to the Board of Directors.
- The main variables used in projections for the Oncology segment are as follows:
    a) probability assigned to developments in progress (expected revenues from each product under development are assigned probabilities of occurrence based on the current stage of research),
    b) estimated sale price, and
    c) penetration rate based on the number of patients likely to be treated with the product under development.
- The tax plan also uses the following significant assumptions:
    a) Average 39.98% growth in sales in the Oncology segment. That growth is due mainly to the good prospects for sales by our partner in the US market and the potential market launch in Europe of lurbinectedin, a product in the final stages of development.
    b) Average 10.54% sustained growth in operating expenses in the Oncology segment.

Variations with respect to management's assumptions in estimating future taxable income, especially the assumptions used in the Oncology segment, may materially affect the amounts recognized as deferred tax assets. The main factors affecting the estimate are the estimated price of the medicine and the prevalence of the various potential indications in the population:

- A 5% reduction in the estimated price for the main compound (Lurbinectedin) would result in the derecognition of €3,311 thousand.
- A 1-year delay in sales of the main compound, Lurbinectedin, in Europe would result in derecognition of €15,305 thousand.
- A 10% loss of market share in Europe for our main compound, Lurbinectedin, would result in derecognition of €5,338 thousand.
- A 10% reduction in market share in the USA for our compound, Lurbinectedin, would result in derecognition of assets in the amount of €1,645 thousand.

Note 22.1 details the assets recognized by the Group as of 31 December 2024 and 2023 and the assets not recognized by application of this approach.

Climate change: analysis of financial risk and impact

In 2024, PharmaMar completed a Climate-Related Risks and Opportunities Report in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the EU Taxonomy. This analysis examines the physical and transition risks that may affect the Group in the medium and long term, as well as the opportunities that mitigating climate change will bring.

The report is divided into the following sections:

Governance: Describes the governance structure and mechanisms in place to manage climate-related risks and opportunities.

Risk identification and management: Details the evaluation of physical risks (such as events linked to

extreme temperatures, winds, and changes in water availability) and transition risks (including political, technological, market and reputational risks), in order of priority according to their probability, severity, vulnerability and capacity for adaptation.

Description of risks and opportunities: The climate impacts on the Colmenar Viejo and Getafe laboratories and on our main suppliers are analyzed qualitatively and quantitatively, taking into account a range of climate scenarios projected through 2050.

Impacts and opportunities: Assesses the financial effect of physical and transition risks, while quantifying the economic opportunities that could arise from action on climate change.

Strategy: Outlines the company's approach to climate adaptation and mitigation.

Metrics and targets: Establishes key indicators to monitor and manage climate risk.
Our analysis concludes that PharmaMar's facilities are not exposed to high climate risks under any of the scenarios considered, and only in the most extreme scenario (Representative Concentration Pathway 8.5) is there a medium-low risk associated with events of water stress and drought. However, a medium risk was identified at some suppliers in the event of certain phenomenon such as heavy rain, flooding and fire, which has prompted the Group to diversify its supply sources.

Among the most significant transition risks are a possible increase in CO_2 prices, certain regulatory obligations and costs linked to the introduction of cleaner technologies. However, since PharmaMar's business model is not very carbon-intensive, the financial impact of these risks is limited. Furthermore, significant opportunities were identified, such as energy efficiency enhancements and a greater use of renewables.

During the year, the Group continued to implement measures to reduce the emissions from its production processes, including notably the following:

- The Appointments, Remuneration and Sustainability Committee approved a Net Zero Plan for gradual decarbonization over the medium and long term.

- The installation of photovoltaic solar panels at the laboratories in Colmenar Viejo and Getafe, which will enable the company to meet 12% and 30%, respectively, of electricity demand with 100% renewable self-produced energy.

- The Colmenar Viejo laboratory was supplied with 100% certified renewable electricity throughout 2024.

5. SEGMENT REPORTING

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

In identifying the segments, management takes into account the Group's products, and the services it provides, as well as quantitative factors.

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

- Revenue from each segment is the revenue metric used for reporting to the Board of Directors.

- EBITDA from each segment (calculated as detailed in the segment disclosures below) is the profit metric used for reporting to the Board of Directors. This is an indicator of the company's direct activity because it eliminates the tax effect. In the case of the PharmaMar group, the tax item often has a positive sign and varies considerably between years, which distorts the comparability of net profit. Financial income can also cause distortions due to interest rate and exchange rate fluctuations. EBITDA is the indicator that best reflects the Company's activity.

- Parent company expenses, which basically consist of expenses associated with central corporate services, are recognized separately, in the "Parent company expenses" column, to avoid distortions in the operating business segments. These mainly include personnel expenses, rent, consulting fees, expenses related to being listed on the stock market, etc.

- Total assets and liabilities are broken down in the same way in which the operating segments provide this information to the Board of Directors on a regular basis.

- Transactions between segments were not material in 2024 and 2023.

Consequently, the following two segments were identified in 2024 and 2023:

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

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

Parent company expenses relate basically to functions such as investor relations, capital markets, consolidation unit, company secretary, as well as the Board of Directors, that provide services to the other areas and have responsibilities that are separate from those of the Oncology and RNAi business units, which is the reason why they are presented separately and in aggregate form.

There are no material transactions between segments.

Segment income, arising from transactions with third parties, for the year ended 31 December 2024 is as follows:

Segment income 2024 (thousand euro)	**Oncology**	**RNAi**	**Parent company expenses**	**Group**
Revenue	174,593	262	-	**174,855**
Cost of goods sold	(8,183)	-	-	**(8,183)**
Other operating revenues / Other net gains	2,329	1,575	-	**3,904**
R&D expenses	(94,428)	(9,074)	-	**(103,502)**
Other expenses	(40,214)	(7,105)	(13,287)	**(60,606)**
Net operating income	**34,097**	**(14,342)**	**(13,287)**	**6,468**
Net financial income	**6,158**	**(197)**	**(444)**	**5,517**
Income before taxes	**40,255**	**(14,539)**	**(13,731)**	**11,985**
Corporate income tax (expense)/revenue	15,971	(1,831)	-	**14,140**
Profit or loss for the year	**56,226**	**(16,370)**	**(13,731)**	**26,125**
Equity-holders of the controlling company	**56,226**	**(16,370)**		
Income for the year (1)	56,226	(16,370)		
Corporate income tax (expense)/revenue (2)	(15,971)	1,831		
Financial income (3)	(6,158)	197		
Depreciation and amortization (4)	5,535	1,238		
Impairment and income from fixed assets (5)	(233)	-		
Impairment and changes in trade provisions (6)	12	-		
EBITDA (1)+(2)+(3)+(4)+(5)+(6)	**39,411**	**(13,104)**		

Assets and liabilities by segment as of 31 December 2024 are presented as supplementary information:

Segment assets and liabilities 2024 (thousand euro)	**Oncology**	**RNAi**	**Group**
Non-current assets	69,526	29,870	**99,396**
Current assets	249,120	1,128	**250,248**
Non-current liabilities	58,142	449	**58,591**
Current liabilities	80,030	2,664	**82,694**
Investment in fixed assets	3,072	12,565	**15,637**

Income statement information by segment for the year ended 31 December 2023 is as follows:

Segment income 2023 (thousand euro)	**Oncology**	**RNAi**	**Parent company expenses**	**Group**
Revenue	156,841	121	1,191	**158,153**
Cost of goods sold	(8,916)	-	(697)	**(9,613)**
Other operating revenues / Other net gains	1,161	305	57	**1,523**
R&D expenses	(83,633)	(15,669)	-	**(99,302)**
Other expenses	(39,123)	(1,211)	(14,254)	**(54,588)**
Net operating income	**26,330**	**(16,454)**	**(13,703)**	**(3,827)**
Net financial income	**460**	**(100)**	**(156)**	**204**
Income before taxes	**26,790**	**(16,554)**	**(13,859)**	**(3,623)**
Corporate income tax (expense)/revenue	4,528	232	-	**4,760**
Profit or loss for the year	**31,318**	**(16,322)**	**(13,859)**	**1,137**
Equity-holders of the controlling company	**31,318**	**(16,322)**		
Income for the year (1)	31,318	(16,322)		
Corporate income tax (expense)/revenue (2)	(4,528)	(232)		
Financial income (3)	(460)	100		
Depreciation and amortization (4)	5,140	582		
Impairment and income from fixed assets (5)	(120)	-		
Impairment and changes in trade provisions (6)	(31)	-		
EBITDA (1)+(2)+(3)+(4)+(5)+(6)	**31,319**	**(15,872)**		

(*), The Diagnostics segment, whose cessation of activities and subsequent liquidation was agreed by PharmaMar's Board of Directors in September 2022, carried out certain commercial activities during the early months of 2023 in order to meet pre-existing commitments. This segment reported €1,191 thousand in revenue and a net loss of (€1,075) thousand in 2023. As a result of that commercial activity, the following balances were recognized in the "Parent company expenses" segment in 2024:€(6) thousand in general expenses, €(443) thousand in financial income, and €130 thousand in corporate income tax.

Assets and liabilities by segment as of 31 December 2023 are presented as supplementary information:

Segment assets and liabilities 2023 (thousand euro)	Oncology	Diagnostics	RNAi	Group
Non-current assets	69,908	18,010	-	**87,918**
Current assets	245,818	3,430	3,354	**252,602**
Non-current liabilities	49,841	1,353	-	**51,194**
Current liabilities	86,820	6,014	3,054	**95,888**
Investment in fixed assets	3,922	12,308	-	**16,230**

In 2024 and 2023 there were no material transactions between reportable segments.

The following tables show the Group's assets by country and year:

Assets by country (thousand euro)	31/12/24	31/12/23
Spain	339,549	331,097
United States	253	244
Switzerland	3,879	2,180
Italy	1,568	2,193
France	1,129	847
Germany	2,402	3,020
Belgium	410	451
Austria	454	488
Total	**349,644**	**340,520**

Most of the Group's net sales are made in Spain and other European Union countries. The euro area accounted for 78.9% of total ordinary revenues in 2024 (83.5% in 2023).

Almost all the investment in property, plant and equipment, intangible assets and investment property in 2024 and 2023 was concentrated in Spain.

The following tables show the breakdown of the Group's revenues from contracts with customers based on the type of goods or services provided to customers, the geographical area and the time of transfer of goods and services, classified by reporting segment, in 2024.

Revenues by segment in 2024 (thousand euro)	Oncology	RNAi	Total
Good or service supplied			
Product sales	116,525	-	116,525
Discounts	(49,983)	-	(49,983)
Licensing and development agreements	46,518	-	46,518
Royalties	61,347	-	61,347
Other revenues	186	262	448
Total revenues from contracts with customers	**174,593**	**262**	**174,855**
Geographies			
Spain	3,641	262	3,903
Ireland	78,935	-	78,935
United States	22,410	-	22,410
France	22,130	-	22,130
China	5,716	-	5,716
Germany	4,879	-	4,879
Rest of EU	12,059	-	12,059
Other	24,823	-	24,823
Total revenues from contracts with customers	**174,593**	**262**	**174,855**
Point of recognition of revenues			
At a point in time	150,667	262	150,929
Over a period of time	23,926	-	23,926
Total revenues from contracts with customers	**174,593**	**262**	**174,855**

Revenues by geography in 2024 (thousand euro)	Spain	United States	Ireland	France	Germany	Rest of EU	China	Other	Total
Product sales	8,223	-	157	35,231	16,005	33,095	945	22,869	116,525
Discounts	(4,719)	-	-	(13,101)	(11,126)	(21,037)	-	-	(49,983)
Licensing and development agreements	-	17,934	22,962	-	-	-	4,408	1,214	46,518
Royalties	-	4,476	55,789	-	-	-	363	719	61,347
Other revenues	399	-	27	-	-	1	-	21	448
Total revenues from contracts with customers	**3,903**	**22,410**	**78,935**	**22,130**	**4,879**	**12,059**	**5,716**	**24,823**	**174,855**

Revenues in Ireland in 2024 and 2023 correspond to the milestones and royalties received from Jazz Pharmaceuticals invoiced through the Irish company in dollars.

The following tables show the breakdown of the Group's revenues from contracts with customers in 2023 based on the type of goods or services provided to customers, the geographical area and the time of transfer of goods and services, classified by reporting segment.

Revenues by segment in 2023 (thousand euro)	Oncology	RNAi	Parent company expenses	Total
Type of good or service supplied				
Product sales	117,507	-	1,192	118,699
Discounts	(46,826)	-	-	(46,826)
Licensing and development agreements	33,590	-	-	33,590
Royalties	52,178	-	-	52,178
Other revenues	391	121	-	512
Total revenues from contracts with customers	**156,840**	**121**	**1,192**	**158,153**
Geographies				
Spain	5,891	121	918	6,930
Italy	4,187	-	-	4,187
Germany	4,637	-	-	4,637
Ireland	75,356	-	-	75,356
France	30,003	-	-	30,003
Rest of EU	10,745	-	154	10,899
United States	12,510	-	-	12,510
Other	13,511	-	120	13,631
Total revenues from contracts with customers	**156,840**	**121**	**1,192**	**158,153**
Point of recognition of revenues				
At a point in time	132,942	121	1,192	134,255
Over a period of time	23,898	-	-	23,898
Total revenues from contracts with customers	**156,840**	**121**	**1,192**	**158,153**

Revenues by geography in 2023 (thousand euro)	Spain	United States	Ireland	France	Germany	Italy	Rest of EU	Other	Total
Product sales	15,244	-	3,938	41,438	12,435	13,158	18,113	14,373	118,699
Discounts	(8,826)	-	-	(11,435)	(7,798)	(8,971)	(7,214)	(2,582)	(46,826)
Licensing and development agreements	-	9,442	23,050	-	-	-	-	1,098	33,590
Royalties	-	3,068	48,368	-	-	-	-	742	52,178
Other revenues	512	-	-	-	-	-	-	-	512
Total revenues from contracts with customers	**6,930**	**12,510**	**75,356**	**30,003**	**4,637**	**4,187**	**10,899**	**13,631**	**158,153**

6. PROPERTY, PLANT AND EQUIPMENT

The breakdown of, and changes in, this caption in 2024 and 2023 are as follows:

Property, plant and equipment (thousand euro)	**31/12/23**	**Recognitions**	**Derecognitions**	**Transfers**	**31/12/24**
Land and structures	29,043	900	-	6,099	36,042
Technical installations and machinery	23,961	7,775	(778)	4,883	35,841
Other installations, tools and furniture	19,322	4,938	(1,321)	1,895	24,834
Advances & construction in progress	13,063	1,417	-	(13,150)	1,330
Other property, plant & equipment	2,688	444	(371)	273	3,034
Provisions	(1,127)	-	284	-	(843)
Cost	**86,950**	**15,474**	**(2,186)**	**-**	**100,238**
Structures	(10,677)	(771)	-	-	(11,448)
Technical installations and machinery	(13,157)	(1,850)	669	-	(14,338)
Other installations, tools and furniture	(17,066)	(730)	1,311	-	(16,485)
Other property, plant & equipment	(2,176)	(251)	369	-	(2,058)
Accumulated depreciation	**(43,076)**	**(3,602)**	**2,349**	**-**	**(44,329)**
Property, plant and equipment	**43,874**	**11,872**	**163**	**-**	**55,909**

In 2024, additions to technical installations and machinery, as well as installations, tools and furniture, refer mainly to the completion of construction that was in progress at the end of 2023, in connection with the refitting of the industrial building acquired by the Group in that year for transformation into an oligonucleotides production plant in the RNA interference segment, as well as the acquisition of various items of equipment for the Oncology segment's production and R&D areas.

In 2024, the Company reversed €284 thousand of impairment on a plot of land in Colmenar Viejo based on an external appraisal (€121 thousand in 2023).

Property, plant and equipment (thousand euro)	**31/12/2022**	**Recognitions**	**Derecognitions**	**Transfers**	**31/12/23**
Land and structures	29,043	-	-	-	29,043
Technical installations and machinery	27,873	2,589	(7,737)	1,236	23,961
Other installations, tools and furniture	20,819	60	(1,824)	267	19,322
Advances & construction in progress	1,488	13,154	(22)	(1,557)	13,063
Other property, plant & equipment	2,638	63	(15)	2	2,688
Provisions	(2,704)	-	1,577	-	(1,127)
Cost	**79,157**	**15,866**	**(8,021)**	**(52)**	**86,950**
Structures	(10,002)	(675)	-	-	(10,677)
Technical installations and machinery	(17,981)	(1,245)	6,069	-	(13,157)
Other installations, tools and furniture	(18,040)	(545)	1,519	-	(17,066)

Other property, plant & equipment	(1,971)	(216)	11	-	(2,176)
Accumulated depreciation	**(47,994)**	**(2,681)**	**7,599**	**-**	**(43,076)**
PROPERTY, PLANT AND EQUIPMENT	**31,163**	**13,185**	**(422)**	**(52)**	**43,874**

Technical installations and machinery recognized in 2023 relate mainly to the acquisition of various items of equipment for the production and R&D areas of both the Oncology and the RNAi segments.

Advances & construction in progress recognized relate entirely to investments in the new oligonucleotide production plant in Getafe by the RNAi segment.

The derecognitions (€422 thousand net) relate almost entirely to the derecognition of the assets assigned to the Diagnostics segment, which the Group decided to discontinue in September 2022.

Since the Group chose to prepare the income statement by function, the depreciation charge for property, plant and equipment is distributed as follows:

Depreciation of property, plant and equipment (thousand euro)	**31/12/24**	**31/12/23**
Cost of goods sold	-	34
Marketing expenses	5	47
Administrative expenses	1,411	1,308
Research & development expenses	2,186	1,292
Depreciation	**3,602**	**2,681**

Fully depreciated property, plant and equipment as of 31 December 2024 amounted to €22,948 thousand (€24,263 thousand in 2023).

As of 2024 year-end, the Group had purchase commitments for property, plant and equipment amounting to €31 thousand (€10,554 thousand related to work in progress at the end of 2023 in the RNAi segment)

As of 31 December 2024 and 2023, the Company did not have any property, plant and equipment under finance lease.

As of 31 December 2024 and 2023, none of the Group's property, plant and equipment was encumbered.

7. INVESTMENT PROPERTY

As of 31 December 2024, this heading contains a plot of land valued at €845 thousand which the Group owns in Tres Cantos, for which it signed a 25-year lease with a third party in 2016 (non-cancelable in the first ten years).

Receipts for non-cancelable operating leases on investment property that are not recognized in the financial statements are as follows:

Receipts for non-cancelable operating leases on investment property (thousand euro)	**31/12/24**	**31/12/23**
Up to 1 year	71	70
1-5 years	71	140
	142	**210**

8. INTANGIBLE ASSETS

The breakdown of, and changes in, this caption in 2024 and 2023 are as follows:

Intangible assets (thousand euro)	31/12/23	Recognitions	Derecognitions	31/12/24
Development expenses	26,373	-	-	26,373
Concessions, patents & trade marks	426	-	-	426
Computer software	4,721	163	(1,116)	3,768
Cost	**31,520**	**163**	**(1,116)**	**30,567**
Development expenses	(25,672)	(701)	-	(26,373)
Concessions, patents & trade marks	(212)	-	-	(212)
Computer software	(3,701)	(349)	1,068	(2,982)
Accumulated amortization	**(29,585)**	**(1,050)**	**1,068**	**(29,567)**
Intangible assets	**1,935**	**(887)**	**(48)**	**1,000**

Intangible assets (thousand euro)	31/12/2022	Recognitions	Derecognitions	Transfers	31/12/23
Development expenses	26,373	-	-	-	26,373
Concessions, patents & trade marks	1,047	-	(621)	-	426
Computer software	4,843	364	(539)	53	4,721
Cost	**32,263**	**364**	**(1,160)**	**53**	**31,520**
Development expenses	(24,970)	(702)	-	-	(25,672)
Concessions, patents & trade marks	(833)	-	621	-	(212)
Computer software	(3,701)	(330)	330	-	(3,701)
Accumulated amortization	**(29,504)**	**(1,032)**	**951**	**-**	**(29,585)**
Intangible assets	**2,759**	**(668)**	**(209)**	**53**	**1,935**

Development expenses

As of 31 December 2024, there were no capitalized development expenditures. As of 31 December 2023, the Group had capitalized the cost of preparing the dossier and documentation required to file a new drug application (NDA) with the FDA for Zepzelca as monotherapy for treating patients with relapsed small cell lung cancer.

Computer software

Computer software is mainly licenses for office, communication and management software acquired from third parties. In 2024, the amount shown as derecognitions (€1,116 thousand) reflects obsolete software licenses.

Since the Group chose to prepare the income statement by function, the amortization charge for intangible assets is distributed as follows:

Amortization of intangible assets (thousand euro)	31/12/24	31/12/23
Administrative expenses	23	23
Research & development expenses	1,027	1,009
Amortization	**1,050**	**1,032**

Fully amortized intangible assets as of 31 December 2024 amounted to €26,373 thousand (€23,568 thousand in 2023).

9. RIGHT-OF-USE ASSETS

The breakdown of, and changes in, this caption in 2024 and 2023 are as follows:

Right-of-use assets, by asset type (thousand euro)	31/12/23	Recognitions	Derecognitions	Exchange rate effect	31/12/24
Offices, Premises, Warehouses	2,953	956	(2,211)	13	1,711
Vehicles	3,056	669	(528)	-	3,197
Laboratory equipment	429	300	(167)	-	562
Computer hardware	10	-	-	-	10
Total cost	**6,448**	**1,925**	**(2,906)**	**13**	**5,480**
Offices, Premises, Warehouses	(1,267)	(1,053)	1,889	(2)	(433)
Vehicles	(1,286)	(852)	521	-	(1,617)
Laboratory equipment	(160)	(214)	119	-	(255)
Computer hardware	(2)	(2)	-	-	(4)
Accumulated amortization	**(2,715)**	**(2,121)**	**2,529**	**(2)**	**(2,309)**
Total net cost	**3,733**	**(196)**	**(377)**	**11**	**3,171**

Right-of-use assets, by asset type (thousand euro)	31/12/2022	Recognitions	Derecognitions	Exchange rate effect	31/12/23
Offices, Premises, Warehouses	2,722	1,039	(804)	(4)	2,953
Vehicles	2,941	1,397	(1,282)	-	3,056
Laboratory equipment	153	429	(153)	-	429
Computer hardware	12	10	(12)	-	10
Total cost	**5,828**	**2,875**	**(2,251)**	**(4)**	**6,448**
Offices, Premises, Warehouses	(732)	(991)	452	4	(1,267)
Vehicles	(1,509)	(874)	1,097	-	(1,286)
Laboratory equipment	(23)	(176)	39	-	(160)
Computer hardware	(12)	(2)	12	-	(2)
Accumulated amortization	**(2,276)**	**(2,043)**	**1,600**	**4**	**(2,715)**
Total net cost	**3,552**	**832**	**(651)**	**-**	**3,733**

Payments for short-term leases of machinery and equipment and all leases of low-value assets are expensed on a straight-line basis. Leases for 12 months or less are classified as short-term leases. Low-value assets include computer hardware and small items of office furniture. The Group estimated that the amount of these commitments from 2025 onwards is €2,749 thousand.

10. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies with respect to financial instruments were applied to the sections detailed below:

Financial instruments by category 31/12/24 (thousand euro)	**Financial assets at amortized cost**	**Assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Total**
Non-current financial assets				
Non-current financial assets	1,872	-	331	2,203
Deposits and sureties	256	-	-	256
Current financial assets				
Trade receivables (Note 13)	34,270	-	-	34,270
Accounts receivable (Note 13)	407	-	-	407
Current financial assets	88,441	2,847	-	91,288
Cash and cash equivalents (Note 15)	63,239	-	-	63,239
Assets on balance sheet	**188,485**	**2,847**	**331**	**191,663**
Non-current borrowings (Note 21)	39,865	-	-	39,865
Non-current lease liabilities (Note 9)	1,363	-	-	1,363
Current borrowings (Note 21)	7,966	-	-	7,966
Current lease liabilities (Note 9)	1,881	-	-	1,881
Supplier and other accounts payable (Note 18)	51,578	-	-	51,578
Liabilities on balance sheet	**102,653**	**-**	**-**	**102,653**

The assets at fair value through profit or loss column includes an investment portfolio made up mainly of corporate bonds that is marked to market, in the amount of €2,847 thousand.

Financial instruments by category 31/12/23 (thousand euro)	**Financial assets at amortized cost**	**Assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Total**
Non-current financial assets				
Non-current financial assets	5,470	-	330	5,800
Deposits and sureties	262	-	-	262
Current financial assets				
Trade receivables (Note 13)	27,203	-	-	27,203
Accounts receivable (Note 13)	351	-	-	351
Current financial assets	96,570	5,968	-	102,538
Cash and cash equivalents (Note 15)	60,024	-	-	60,024
Assets on balance sheet	**189,880**	**5,968**	**330**	**196,178**
Non-current borrowings (Note 21)	27,036	-	-	27,036

Non-current lease liabilities (Note 9)	1,828	-	-	1,828
Current borrowings (Note 21)	12,825	-	-	12,825
Current lease liabilities (Note 9)	1,980	-	-	1,980
Supplier and other accounts payable (Note 18)	40,297	-	-	40,297
Liabilities on balance sheet	**83,966**	**-**	**-**	**83,966**

11. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of the financial assets that have not yet matured can be assessed on the basis of credit ratings provided by bodies external to the Group or by the past history of default:

Credit quality of financial assets (thousand euro)		**31/12/24**	**31/12/23**
Accounts receivable:			
Customers without an external credit rating			
	Group 1	388	827
	Group 2	34,268	26,664
	Group 3	21	63
Total accounts receivable		**34,677**	**27,554**

Group 1 - New customers (under 6 months)
Group 2 - Existing customers (over 6 months) with no bad debt history
Group 3 - Existing customers (over 6 months) with bad debt history

Ratings of financial assets (thousand euro)	**31/12/24**	**31/12/23**
Moody's rating		
A+	766	2,152
A1	1,187	1,437
A2	96,900	42,964
A3	13,328	29,813
Aa3	-	6
Baa1	14,709	14,045
baa2	4,340	2,653
Baa3	-	23,127
NR	25,756	52,427
	156,986	**168,624**

None of the unmatured financial assets was renegotiated during the year. See credit quality of accounts receivable from public authorities, in Note 13.

12. OTHER FINANCIAL ASSETS

12.1 Financial assets at fair value through other comprehensive income

All of these financial assets consist of shares in companies in the biopharmaceutical sector. Their fair value is €331 thousand (€330 thousand in 2023).

Marking these securities to market in 2024 on the basis of their official listed prices led to a positive change of €1.1 thousand (a negative change of €4.2 thousand in 2023) that was recognized in other comprehensive income.

12.2 Other financial assets at amortized cost

As of 31 December 2024, non-current financial assets totaling €1,872 thousand comprise mainly dynamically managed portfolios held at a number of institutions containing corporate fixed-income securities, most of which repay the nominal amount at maturity and pay coupons. Accounts receivable include €256 thousand in deposits provided.

In 2023, other non-current financial assets totaled €5,470 thousand, comprising mainly dynamically managed portfolios held at a number of institutions containing mainly government and corporate fixed-income securities that repay the nominal amount at maturity and mostly pay coupons. Accounts receivable include €262 thousand in deposits provided.

As of 2024 year-end, current financial assets amounted to €91,288 thousand and comprised mainly: i) term deposits of €79,850 thousand maturing between 22 January and 31 March 2025 with yields ranging from 2.59% to 2.90%; and ii) investments in corporate fixed-income securities with various entities amounting to €10,860 thousand.

In 2023, €102,538 thousand were booked under this heading, including: i) term deposits of €65,645 thousand maturing between 9 January and 13 May 2024 yielding between 0.89% and 3.75%; ii) deposits in USD amounting to €13,810 thousand (USD 15,260 thousand) maturing between 15 and 22 February 2024 and yielding between 4.54% and 5.21%; and iii) portfolio investments with a number of institutions amounting to 22,714, which consist of government and corporate fixed-income securities.

13. TRADE RECEIVABLES

The detail of this caption as of 31 December 2024 and 2023 is as follows:

Trade receivables (thousand euro)	**31/12/24**	**31/12/23**
Customer receivables for sales and services	34,506	27,525
Impairment	(236)	(322)
Net	**34,270**	**27,203**
Other receivables	407	351
Total	**34,677**	**27,554**

There were no customer receivables discounted with credit institutions as of 31 December 2024 and 2023.

As of 31 December 2024, accounts receivable amounting to €1,226 thousand were past due (€2,353 thousand in 2023) but had not suffered impairment. The analysis of those accounts receivable by age is as follows (thousand euro):

Accounts receivable past due and not provisioned (thousand euro)	**31/12/24**	**31/12/23**
3-6 months	667	1,772
Over 6 months	559	581
Total	**1,226**	**2,353**

The past-due accounts that had not been impaired as of 31 December 2024 and 2023 are mainly due from public hospitals belonging to the Spanish national health system and, to a lesser extent, from some Yondelis distributors. The average collection period from the Spanish national health system does not exceed one year. The Group does not impair past-due receivables from public authorities and expects to recover the total amount due plus any default interest that it claims. The average collection period for public authorities outside Spain is not more than one year.

As of 31 December 2024, the expected loss provision was remeasured at €86 thousand (€28 thousand in 2023).

The carrying amount of the Group's trade and other accounts receivable is denominated in the following currencies:

Net carrying amount of customer and other accounts receivable (thousand euro)	31/12/24	31/12/23
Euro	15,818	10,787
USD	17,085	14,890
Other currencies	1,774	1,877
Total	**34,677**	**27,554**

The breakdown as of 31 December 2024 and 2023 of receivables from public authorities for sales and services, by geography, is as follows:

Customer receivables from public authorities (thousand euro)	31/12/24	31/12/23
Spain	340	1,101
Austria	53	180
Belgium	22	65
France	5,089	3,674
Germany	125	53
The Netherlands	2	-
Italy	30	95
Luxembourg	3	1
Total customer receivables from public authorities	**5,664**	**5,169**

As of 31 December 2024 and 2023, the credit rating of the accounts receivable from public authorities, by geography, is as follows:

Credit rating (thousand euro)	Credit rating	31/12/24	31/12/23
Spain	Aaau	340	1,101
Austria	Aaa	53	180
Belgium	Aaa	22	65
France	Aaau	5,089	3,674
Germany	Aaau	125	53
The Netherlands	Aaau	2	-
Italy	Aa3u	30	95
Luxembourg	Aaa	3	1
Total		**5,664**	**5,169**

The fair value of accounts receivable does not differ materially from their respective carrying amount.

Claims of principal and default interest from public authorities

The Group considers each country and autonomous region as a separate entity, since it handles each one separately and considers it to be independent from the others.

During 2024 and 2023, no default interest was claimed due to the improvement in the periods of payment by the public sector.

14. INVENTORIES

Inventories (thousand euro)	31/12/24	31/12/23
Raw materials and other supplies	1,420	1,783
Semi-finished products and products in process	47,961	36,661
Finished products	1,505	845
Supplier advances	1,080	-
Total	**51,966**	**39,289**

The increase in the balance of inventories is the result of the need to advance production in preparation for launches in new territories, and of an increase in demand from licensees.

No financial expenses have been capitalized as the inventory production cycle does not exceed one year.

No material impairment losses were recognized for inventories in 2024 and 2023.No inventories have been committed as collateral for obligations or debt.

The cost of inventories recognized as an expense amounted to €13,210 thousand in 2024 (€17,066 thousand in 2023).

15. CASH AND CASH EQUIVALENTS

The detail of this caption as of 31 December 2024 and 2023 is as follows:

Cash and cash equivalents (thousand euro)	31/12/24	31/12/23
Cash on hand and at banks	26,039	27,695
Cash equivalents	37,200	32,329
Total	**63,239**	**60,024**

The amount booked under "Cash equivalents" in 2024 corresponds to two deposits: one amounting to USD 30,600 thousand (€29,454 thousand) and another of €7,745 thousand, both maturing in less than 90 days, on which interest of €2,368 thousand was earned in 2024.In 2023, the amount corresponded to two deposits: one of USD 30,000 thousand (€27,149 thousand) and another of €5,180 thousand.

There were no bank overdrafts at the closing date.

16. CAPITAL AND SHARE PREMIUM

As of 31 December 2024, PharmaMar's authorized share capital amounted to €10,933 thousand (€11,013 thousand as of 31 December 2023) and was represented by 18,222,228 shares (18,354,907 shares as of 31 December 2023), with a par value of €0.60 per share (€0.60 per share as of 31 December 2023).All PharmaMar shares have been fully subscribed and paid.

In September 2024, there was a capital reduction through the amortization of treasury shares which had been acquired for this purpose through the buyback program approved by the Company in May 2024.A total of 132,679 shares were redeemed for €4,999,920.52, resulting in a reduction of €79,607.40 in share capital and €4,920,313.12 in reserves. Those shares were delisted on that date.

Thousand euro/Thousand shares	Number of outstanding shares	Share capital	Share premium account	Own shares
Balance as of 1 January 2023	**18,107**	**11,013**	**71,278**	**(15,865)**

Own shares sold	304	-	-	17,967
Own shares purchased	(787)	-	-	(34,101)
Share ownership plans	16	-	-	908
Balance as of 1 January 2024	**17,640**	**11,013**	**71,278**	**(31,091)**
Own shares sold	456	-		13,043
Own shares purchased	(391)	-	-	(18,628)
Share ownership plans	19	-	-	849
Depreciation	133	(80)	-	5,000
Refund of contributions to shareholders	-	-	(11,420)	-
Balance as of 31 December 2024	**17,857**	**10,933**	**59,858**	**(30,827)**

The number of outstanding shares in the foregoing table was calculated by subtracting, from the number of shares issued, the number of own shares held by the Group and the shares delivered to employees under share ownership plans which, under the conditions of those plans, are subject to lock-up and may not be disposed of by the employees to whom they have been granted.

Own shares

The number of shares outstanding as of 31 December 2024 was 17,857 thousand (17,640 thousand in 2023). As of 31 December 2024, the parent company held 647 thousand own shares, representing 3.55% of share capital (715 thousand shares in 2023, representing 3.90% of share capital).

A share buyback program, launched in July 2023 in order to provide the Group with the capacity to trade in its own shares in order to undertake corporate transactions, was completed on 31 January 2024.A total of 419,400 shares were acquired for €14,999,203.29 under this program. Of that total, 69,178 shares were acquired from 1 to 31 January 2024 for €2,791,121.84.

In the following months, the Group had a liquidity contract in place with an external firm to manage purchases and sales of own shares on an independent basis. Within the framework of this agreement while it was in force in 2024, 179,670 own shares were acquired (436,918 shares in 2023) for €10,192,949 (€21,873,733) and 308,024 shares were sold (303,869 shares in 2023) for €18,394,406, of which €4,965,210.89 correspond to the gain obtained from the sale and the difference (€13,170,363) to the underlying value of the shares sold (€17,966,129 in 2023).

In May 2024, the Group launched a new share buyback program to redeem the shares so acquired by reducing the Company's capital. The maximum amount of the program was set at €5 million and/or a maximum of 184,000 shares, whichever was reached first. This plan ended on 30 September 2024, having reach the maximum amount of €4,999,920.52 (132,679 shares).

Once that program was completed, the liquidity contract mentioned above, which had been suspended for the duration of the program, became operational again until 23 December 2024, when a new buyback plan was launched, which will remain in force until 30 June 2025 and may end earlier if the caps on the number of shares and/or maximum amount are reached. The purpose of this program is to comply with the obligations arising from the share ownership plans for Group executives and employees. As of 31 December 2024, a total of 8,200 shares had been purchased under this program, for €645,442.08.

Details of purchases of own shares made under the various buyback programs and the liquidity program are as follows:

	No. of shares	Amount (euro)
Balance as of 31/12/22	**247,288**	**(15,865,250)**
Liquidity contract:		
Own shares purchased	436,918	(21,873,733)
Own shares sold	(303,869)	17,966,129
Buyback programs:		

July 2023 buyback program	350,222	(12,207,082)
Share ownership plan:		
Delivery	(15,634)	908,476
Reversal	262	(19,689)
Balance as of 31/12/23	**715,187**	**(31,091,149)**

	No. of shares	Amount (euro)
Balance as of 31/12/23	**715,187**	**(31,091,149)**
Liquidity contract:		
Own shares purchased	179,670	(10,192,949)
Own shares sold	(308,024)	13,170,363
Buyback programs:		
July 2023 buyback program	69,178	(2,792,122)
May 2024 buyback program	132,679	(4,999,921)
December 2024 buyback program	8,200	(645,442)
Employee share ownership plan:		
Delivery	(18,510)	783,806
Reversal	1,596	(59,581)
Share redemptions:		
May 2024 buyback program	(132,679)	4,999,921
Balance as of 31/12/24	**647,297**	**(30,827,074)**

According to information in the official registers of the Spanish National Securities Market Commission as of 31 December 2024, the holders of significant stakes in Pharma Mar, either directly or indirectly, amounting to over 10% are as follows:

	DIRECT STAKE		INDIRECT STAKE (1)		TOTAL STAKE
	No. of shares	%	No. of shares	%	%
José Mª Fernández Sousa-Faro	**1,114,147**	**6.114%**	**955,190**	**5.242%**	**11.356%**

1) Indirect stake held through his spouse, Ms. Montserrat Andrade Detrell.

17. AVAILABILITY AND RESTRICTIONS ON RESERVES AND RETAINED EARNINGS

Under article 274 of the Spanish Capital Companies Act, companies must transfer 10% of income for each year to the legal reserve until it amounts to at least 20% of capital stock. The legal reserve (€2,202 thousand) can be used to increase capital provided that the remaining balance of the reserve is not less than 10% of the resulting amount of capital. Except for that purpose, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The share premium may be used for the same purposes as the Company's voluntary reserves, including conversion into capital stock, there being no restrictions as to its use or distribution other than the general ones detailed below.

Dividends that the controlling company distributes are subject to the limitations and restrictions envisaged in the Capital Companies Act. In accordance with current legislation, the maximum amount to be distributed and the applicable limitations and restrictions are based on the amounts presented by the controlling company in its separate financial statements issued under Spanish GAAP.

Moreover, profits may not be distributed unless the amount of available reserves is at least equal to the amount of research and development expenses under assets on the controlling company's balance sheet.

The proposed distribution of 2024 income and other reserves to be submitted to the Shareholders' Meeting for approval, and the actual distribution approved for 2023, are as follows:

Basis of distribution (thousand euro)	31/12/24	31/12/23
Basis of distribution		
Income for the year attributable to the parent company	40,225	(13,557)
	40,225	**(13,557)**
Distribution		
Dividend	-	0
Prior years' income	40,225	(13,557)
	40,225	**(13,557)**

The only restrictions on the distribution of dividends are those laid down by law.

18. SUPPLIER AND OTHER ACCOUNTS PAYABLE

The composition of this caption is as follows:

Supplier and other accounts payable (thousand euro)	31/12/24	31/12/23
Payable for purchases and services received	38,650	29,174
Compensation payable	10,216	8,989
Debts to related parties	1,048	1,041
Suppliers of current fixed assets	164	-
Advances received for orders	1,410	1,003
Other accounts payable	90	90
Total	**51,578**	**40,297**

All payables mature within 12 months from the closing date of each year. Debt to related parties refers mainly to accrued outstanding bylaw-mandated allocations to members of Pharma Mar's Board and fees for membership of Pharma Mar's board committees (€1,048 thousand as of 31 December 2024, €1,041 thousand as of 31 December 2023).

Information on payments for commercial transactions performed in 2024 and 2023 and amounts pending payment at the end of the year in relation to the maximum legal payment periods envisaged in Law 18/2022 is as follows:

Payment information	31/12/24	31/12/23
Average time taken to pay suppliers (days)	52	49
Proportion of transactions paid (days)	54	50
Proportion of transactions outstanding (days)	39	30
Total payments made (thousand euro) - (4)	140,498	120,025
Total payments outstanding (thousand euro)	14,677	12,191
Total invoices received (number)	13,713	12,409
Total invoices paid in less than 60 days (number) - (1)	8,378	6,624
Total invoices received (thousand euro)	155,175	132,216
Total invoices paid in less than 60 days (thousand euro) - (3)	86,799	77,080

Percentage of total number of invoices paid = (1) / (2)	67.2%	60.0%
Percentage of total amount of invoices paid = (3) / (4)	61.8%	64.2%
Total invoices received (number) - (2)	12,464	11,041

The average supplier payment lag in the year between 1 January and 31 December 2024 was 52 days (49 days in 2023).

The foregoing disclosure refers only to Group companies domiciled in Spain.

19. Contractual liabilities

As indicated in Note 2.23.2, the revenue associated with licensing and co-development agreements and other similar transactions must be matched with the contractual consideration to be provided by the Group under the agreements. The portion of revenue corresponding to the commitments set out in the agreement that are to be executed in subsequent periods must be recognized as deferred.

PharmaMar signed an exclusive licensing agreement for Zepzelca with Jazz Pharmaceuticals in December 2019.For signing the agreement, PharmaMar collected a non-refundable upfront payment of USD 200 million (€181 million) in January 2020.Subsequently, as a result of the FDA's accelerated approval to market Zepzelca in June 2020, Pharma Mar collected another payment of USD 100 million (€88.5 million) from Jazz Pharmaceuticals. Since PharmaMar entered into contractual commitments to be fulfilled in successive years, that revenue was accrued.

The breakdown of those contractual liabilities as of 31 December 2024 and 2023 is as follows:

	Changes in non-current contractual liabilities	Changes in current contractual liabilities
Balance as of 31/12/22	**43,330**	**24,661**
Recognitions	-	614
Transfers	(23,464)	23,464
Income	-	(23,812)
Balance as of 31/12/23	**19,866**	**24,927**
Derecognitions	-	(1,000)
Transfers	(3,973)	3,973
Income	-	(23,927)
Balance as of 31/12/24	**15,893**	**3,973**

20. OTHER CURRENT LIABILITIES

Other current liabilities include an amount of €13,943 thousand (€12,457 thousand in 2023) relating mainly to a provision of €13,713 thousand corresponding to outstanding clawbacks in connection with the distribution of products under the "Autorisation d'accès compassionnel (AAC)" compassionate use system in France. Of the €11,973 thousand in provisions recognized in 2023, €11,673 thousand were utilized in 2024. In 2024, €14,401thousand in provisions were recognized. Those clawbacks are applied on a sliding scale based on the amounts invoiced under the AAC system.

Zepzelca is currently available under the very early access compassionate use system ("Autorisation d'accès compassionnel trés précoce") until such time as it is approved by the EMA.

21. INTEREST-BEARING DEBT

The breakdown of the Group's non-current and current interest-bearing debt as of 31 December 2024 and 2023 is as follows:

Breakdown of non-current debt:

Breakdown of non-current interest-bearing debt (thousand euro)	31/12/24	31/12/23
Bank debt	14,116	-
Bonds and other marketable securities	16,831	16,769
Interest-bearing debt to official authorities	8,918	10,267
Total	**39,865**	**27,036**

Breakdown of current debt:

Breakdown of current interest-bearing debt (thousand euro)	31/12/24	31/12/23
Bank debt	5,808	9,985
Bonds and other marketable securities	405	405
Interest-bearing debt to official authorities	1,753	2,435
Total	**7,966**	**12,825**

21.1 Bank debt

Non-current and current debt consists of bank loans and credit lines, as detailed in the table below, as of 31 December 2024 and 2023:

	No. of products	Maturities	31/12/24	No. of products	Maturities	31/12/23
Bank loans	1	2029	14,116	-		-
Total non-current debt	1		14,116	-		-
Bank loans	1		884	2		3,226
Credit lines	7		4,718	7		6,458
Interest and other accounts payable	-		206	-		301
Total current debt	8		5,808	9		9,985

Non-current debt

In 2024, the Group arranged a new bank loan for €15,000 thousand at a fixed interest rate, with a term of five years and a one-year grace period.

Current debt

Current bank debt is broken down as follows:

Breakdown of current bank debt (thousand euro)	31/12/24	31/12/23
Bank loans	884	3,226
Credit lines	4,718	6,458
Interest and other accounts payable	206	301
Total	**5,808**	**9,985**

As of 31 December 2024, there is only one bank loan at a fixed rate of 3.10%.

Some credit lines are subject to tacit renewal, although most are renewed annually. As of 31 December 2024, the Group had seven credit lines (7 in December 2023) with a total limit of €19,500 thousand (€14,500 thousand in 2023).Lines representing approximately 24% of the available limit bear interest at variable rates consisting of Euribor plus a spread ranging from 1.75% to 2.75%.The other lines bear fixed rate interest between 1.20% and 1.75%.

The effective interest rates as of 31 December are:

Effective interest rates	31/12/24	31/12/23
Bank overdrafts	n/a	n/a
Bank loans	3.10%	2.96%
Credit lines	5.18%	4.69%
Discounted notes	n/a	n/a

The Group's exposure to interest-bearing debt at floating rates is €2,894 thousand as of 31 December 2024 (€2,991 thousand in 2023), indexed mainly to three-month Euribor.

The following table reconciles the movement of financial liabilities with financing cash flows, including both those derived from cash flows and those that do not involve cash flows (such as reclassifications between non-current and current).

Changes in liabilities due to financing activities (thousand euro)	31/12/23	Cash flows	Reclassification to short term	Other	31/12/24
Non-current bank loans	-	15,000	(884)	-	14,116
Current bank loans	3,226	(3,230)	884	4	884
Bonds and other non-current marketable securities	16,769	-	-	62	16,831
Bonds and other current marketable securities	405	(810)	-	810	405
Credit lines	6,458	(938)	-	(802)	4,718
Interest and other accounts payable	301	-	-	(95)	206
Non-current interest-bearing debt to official authorities	10,267	414	(1,745)	(18)	8,918
Current interest-bearing debt to official authorities	2,435	(2,466)	1,745	39	1,753
Non-current lease liabilities	1,828	-	(1,197)	732	1,363
Current lease liabilities	1,980	(2,115)	1,197	819	1,881
Total liabilities related to financing activities	**43,669**	**5,855**	**-**	**1,551**	**51,075**

Changes in liabilities due to financing activities (thousand euro)	31/12/2022	Cash flows	Reclassification to short term	Other	31/12/23
Non-current bank loans	231	-	(231)	-	-
Current bank loans	4,430	(1,439)	231	4	3,226
Bonds and other non-current marketable securities	16,709	-	-	60	16,769
Bonds and other current marketable securities	405	(810)	-	810	405
Credit lines	3,506	3,066	-	(114)	6,458
Discounted bills and certificates and COMEX lines	721	(721)	-	-	-
Interest and other accounts payable	272	(1)	-	30	301
Non-current interest-bearing debt to official authorities	8,943	4,842	(2,263)	(1,255)	10,267
Current interest-bearing debt to official authorities	3,791	(4,084)	2,263	465	2,435
Non-current lease liabilities	2,014	-	(1,457)	1,271	1,828
Current lease liabilities	1,608	(2,006)	1,457	921	1,980
Total liabilities related to financing activities	**42,630**	**(1,153)**	**-**	**2,192**	**43,669**

21.2 Bonds and other marketable securities

In 2015, the controlling company issued non-convertible bonds for an amount of €17,000 thousand in order to strengthen its financial position and extend its debt maturity profile.

The principal terms and conditions of the bonds are as follows:

- Nominal amount: €17,000 thousand;
- Maturity: 12 years from disbursement.
- The issue was targeted at a single qualified Spanish investor via a private placement.
- The bonds, which are uncertificated, were issued at par, each with a nominal value of €100 thousand.
- The bonds bear a fixed coupon of 4.75% per annum payable in arrears every year from the date of disbursement;
- The Company is liable with all its assets for the obligations arising from the bonds and no specific guarantee is granted;
- The terms and conditions of the bonds are governed by Spanish law;
- The controlling company applied to list the bonds on the Alternative Fixed-Income Market (MARF) on 7 July 2015.

21.3 Interest-bearing debt to public authorities

This item refers mainly to funding from official authorities consisting of loans and advances that are interest-free (or at substantially below market rates) and are repayable in seven years, after a three-year grace period, to finance research and development projects.

As of 31 December 2024, the Group had debt balances with official authorities for a total of €10,671 thousand, calculated on the basis of cash flows discounted at Euribor plus a spread based on the Group's risk (€12,702 thousand in 2023), of which €8,918 thousand were non-current (€10,267 thousand in 2023) and €1,753 thousand were current (€2,435 thousand in 2023).

The repayment schedule of the non-current part of official aid is as follows:

Repayment schedule (thousand euro)	31/12/24	31/12/23
2025	-	1,712

2026	1,720	1,729
2027	1,823	1,832
2028	1,305	1,250
2029 and thereafter	4,070	3,744
Total	**8,918**	**10,267**

21.4 Fair value

The fair value and carrying amount of the non-current and current interest-bearing debt as of 31 December 2024 and 2023 are as follows:

	Fair value		Carrying amount	
Fair value and carrying amount of interest-bearing debt (thousand euro)	**31/12/24**	**31/12/23**	**31/12/24**	**31/12/23**
Non-current				
Bank loans	14,116	-	14,116	-
Due to official authorities	10,299	12,039	8,918	10,267
Bonds	17,000	17,000	16,831	16,769
Total	**41,415**	**29,039**	**39,865**	**27,036**
Current				
Bank loans	884	3,226	884	3,226
Credit lines	4,718	6,458	4,718	6,458
Interest payable	133	41	133	41
Due to official authorities	1,753	2,902	1,753	2,435
Bonds	405	405	405	405
Other debt	73	260	73	260
Total	**7,966**	**13,292**	**7,966**	**12,825**

22. TAX NOTE

22.1 Balances with public authorities

The detail of the balance with public authorities as of 31 December 2024 and 2023 is as follows:

Balances with public authorities (thousand euro)	**31/12/24**	**31/12/23**
VAT	3,766	6,213
Social security	8	9
Other receivables from public authorities	3,560	14,058
Receivables	**7,334**	**20,280**
VAT	937	1,451
Tax withholdings payable	1,396	905
Social security	1,019	854
Other debt to public authorities	1	192
Payables	**3,353**	**3,402**

In 2024 and 2023, the "Other receivables from Public Authorities" caption included an amount of €2,210 thousand for payments on account of corporate income tax (€13,439 thousand in 2023).

22.2 Deferred taxes

The breakdown of deferred tax assets and liabilities is as follows:

Deferred tax assets, net (thousand euro)	31/12/24	31/12/23
Deferred tax assets	36,441	32,172
Deferred tax liabilities	(429)	(703)
Total	**36,012**	**31,469**

The gross changes in deferred tax assets and liabilities during the year were as follows:

Deferred tax assets (thousand euro)	**Tax losses and tax credits**	**Tax withholding**	**Intangible assets and property, plant and equipment**	**Other**	**TOTAL**
As of 1 January 2023	**19,577**	**10,116**	**983**	**323**	**30,999**
Monetization receipts	(4,302)	-	-	12	(4,290)
Recognized in profit or loss	6,050	-	(490)	(96)	5,464
As of 31 December 2023	**21,325**	**10,116**	**493**	**239**	**32,173**
Monetization receipts	(10,000)				(10,000)
Recognized in profit or loss	14,825	-	(483)	(73)	14,269
As of 31 December 2024	**26,150**	**10,116**	**10**	**166**	**36,442**

The "Tax losses and tax credits" column includes tax loss carryforwards, unused tax credits and the monetization of capitalized tax credits.

€5,000 thousand in deferred tax assets are expected to be offset in less than 12 months.

The "Tax withholding" column as of 31 December 2024 and 2023 includes taxes withheld from royalties and payments received under licensing agreements.

Deferred tax liabilities (thousand euro)	Capital subsidies and others
As of 1 January 2023	**(470)**
Recognized in profit or loss	(233)
As of 31 December 2023	**(703)**
Recognized in profit or loss	274
As of 31 December 2024	**(429)**

Deferred tax assets are recognized on the basis of the future taxable income that the Group expects to generate based on current business plans.

The Group performed an analysis of unused tax losses. As a result of this analysis, the Group did not recognize €412,611 thousand in unused tax losses (€378,158 thousand in 2023).

At the same date, there are also unused R&D tax credits amounting to €202,478 thousand that have not been recognized in the balance sheet (€200,048 thousand in 2023).

As of 31 December 2024, the Group recognized €7,370 thousand of unused tax credits, and monetization of tax credits for the amount of €5,000 thousand.

Those unused tax losses and deductions were not recognized in relation to deferred tax assets at the end of 2024 and 2023 as a result of the analysis performed by the Group as described in Note 4 "Accounting estimates and judgments".

The following table shows the validity periods of unused tax credits that have specific expiry dates as of 31 December 2024:

Tax credits generated by (thousand euro)	Total amount	2025	2026	2027	2028	2029	2030	2031	2032 and thereafter
Unused R&D tax credits	214,848	10,760	9,977	11,332	9,697	9,376	9,280	8,078	146,348
TOTAL	**214,848**	**10,760**	**9,977**	**11,332**	**9,697**	**9,376**	**9,280**	**8,078**	**146,348**

22.3 Income tax

In 2024, the corporate income tax return was filed on a group basis by the tax group made up of PharmaMar, S.A. and Sylentis, S.A.U. The other companies, namely Pharma Mar USA, Pharma Mar AG, Pharma Mar SARL, Pharma Mar GmbH, Pharma Mar Srl, Pharma Mar sprl, and Pharma Mar Ges.m.b.H.AT, file individual tax returns.

The reconciliation of the difference between applying a 25% tax rate to the income before taxes and the recognized tax expense is shown in the following table:

Reconciliation of recognized tax expense (thousand euro)	**31/12/24**	**31/12/23**
Income before taxes	11,985	(3,623)
Tax rate (25%)	(2,996)	906
Tax effect of:		
- Exempt revenues and other minor items	11,813	10,713
- Other adjustments	5,323	(6,859)
Tax revenue (expense)	**14,140**	**4,760**

In the preceding table, the tax-exempt revenue is basically untaxed revenue relating to 50% of license fees and royalties collected in other countries.

Other adjustments include the effect of not fully recognizing the tax paid in advance as a result of tax losses generated in the year, as well as the change derived from the recognition of research and development tax credits.

The reconciliation of the income tax expense/(revenue) in the income statement is as follows:

Tax (expense)/revenue (thousand euro)	**31/12/24**	**31/12/23**
Current tax	(403)	(471)
Deferred tax	14,543	5,231
TOTAL	**14,140**	**4,760**

The tax rate applicable to the Group is generally the standard tax rate in Spain (25%), except for operations whose earnings are taxed in Italy at approximately 30%.The effect of differences with respect to the tax rates applicable to the other subsidiaries located outside Spain is not material.

On 6 January 2015, the Spanish tax authorities notified the company of plans to commence a partial tax audit of corporate income tax for the years 2010 to 2012, which would be confined to examining revenue from certain intangible assets reported by Pharma Mar.

On 20 January 2015, the controlling company applied to the Spanish tax authorities for the partial tax audit to be converted into a general tax audit covering the taxes and periods in question.

As a result, notification of the initiation of the tax audit was received in June 2015.It refers to the following periods and Group undertakings:

	Corporate income tax	VAT	Personal income tax - Spanish residents	Personal income tax - Non-residents	Income from capital
Zeltia, S.A.	2010-2013	2011-2013	2Q 2011 - 4Q 2013	2Q 2011 - 4Q 2013	2Q 2011 - 4Q 2013
Genómica, S.A.U.	2010-2013	2011-2013	2Q 2011 - 4Q 2013	2Q 2011 - 4Q 2013	2Q 2011 - 4Q 2013
PharmaMar, S.A.U.	2010-2013	2011-2013	2Q 2011 - 4Q 2013	2Q 2011 - 4Q 2013	-
Zelnova, S.A.	2010-2013	06/2011-2013	1Q 2012 - 4Q 2013	-	-
Xylazel, S.A.	2010-2013	06/2011-2013	1Q 2012 - 4Q 2013	-	-

The tax audit concluded in September 2016.The company accepted an assessment that resulted in a reduction in the tax base, and it disputed assessments for corporate income tax, personal income tax withholdings and prepayments, value added tax and non-residents' personal income tax. There is currently one appeal pending before the National Court and one appeal before the High Court.

The net amount of corporate income tax payable by the companies in the Spanish tax group in each of the years referred to in the disputed tax assessments is zero in all cases, since the companies in the Spanish tax group have tax losses and international double taxation tax credits which were applied in the tax authorities' proposal, in accordance with the regulations in force in each year. Consequently, in the worst-case scenario, in which all of the tax group's appeals were to fail, the tax payable would be zero and no late payment interest would accrue.

The amount of tax due plus late payment interest and penalties that would be payable in the event that none of the appeals succeeded would not result in a material reduction in the assets recognized by the Group.

23. NET REVENUES

The detail of this caption as of 31 December 2024 and 2023 is as follows:

Breakdown of revenues (thousand euro)	**31/12/24**	**31/12/23**
Product sales	116,525	118,699
Discounts	(49,983)	(46,826)
	66,542	**71,873**
Licensing and development agreements	46,518	33,590
Royalties	61,347	52,178
Services provided	448	512
Total	**174,855**	**158,153**

Of the total product sales in 2024, €21,405 thousand relate to public sector customers, and €45,137 thousand to private sector customers (€22,972 and €48,901 thousand, respectively, in 2023).

The breakdown of revenue by segment and geography is given in Note 5.

The Group has out-licensing and co-development agreements with a number of pharmaceutical companies. The breakdown of revenue derived from these agreements, including royalties, in 2024 and 2023 is as follows:

Breakdown of royalties and licensing fees (thousand euro)	31/12/24	31/12/23
Jazz Pharmaceuticals Zepzelca (lurbinectedin)	55,789	48,368
Johnson & Johnson Group Yondelis (trabectedin)	4,476	3,068
Taiho Pharmaceuticals Co. Yondelis (trabectedin)	719	742
Luye Zepzelca (lurbinectedin)	363	-
Total royalties	**61,347**	**52,178**
Jazz Pharmaceuticals Zepzelca (lurbinectedin)	22,962	23,050
Johnson & Johnson Group Yondelis (trabectedin)	17,934	9,442
Luye Zepzelca (lurbinectedin)	4,408	-
Boryung Zepzelca (lurbinectedin)	440	440
Lotus Zepzelca (lurbinectedin)	407	293
Other contracts	367	365
Total licenses	**46,518**	**33,590**
Total	**107,865**	**85,768**

23.1 Yondelis

Janssen Products LP

In 2001, the Group signed a licensing and co-development agreement with Ortho Biotech Products L.P. (OBP, now Janssen Products, L.P.), a subsidiary of US group Johnson & Johnson (J&J).That agreement provides for an upfront payment that was collected on the date of the contract and certain payments connected with subsequent development and regulatory milestones for Yondelis. Those amounts (upfront and milestone payments), which are collected irrevocably once the corresponding dates and milestones are attained, are recognized initially as deferred revenue and subsequently as revenue over the term of the contract, which includes two distinct phases: development and marketing.

The Company has fulfilled all the related obligations and has incurred all expenses required to be borne by PharmaMar. Consequently, PharmaMar did not recognize any amount under this heading.

The amounts attributed to the marketing phase are royalties, which are recognized on an accrual basis. In 2024, royalties were recognized in the amount of €4,476 thousand for sales of Yondelis (€3,068 thousand in 2023).

In 2024 Pharma Mar, S.A. received two payments from Janssen on attaining a commercial milestone under the licensing agreement for Yondelis in the United States: USD 9,442 thousand (€8,715 thousand) in August, and USD 10,000 thousand (€9,219 thousand) in November; it received USD 10,000 thousand (€9,442 thousand) under this heading in 2023.

New agreements

In 2019, PharmaMar and Janssen signed a framework transfer agreement under which Janssen transferred to PharmaMar all rights to the compound in the other territories licensed to Janssen, i.e. all the countries in the world except the United States, Europe and Japan (the latter licensed to Taiho Pharmaceuticals Co. Ltd).

As a result, since that transfer agreement, PharmaMar has entered into the following agreements to commercialize Yondelis with the result that they cover practically the entire world:

A total of seven agreements were signed in 2020:i) with Valeo for Canada; ii) with Adium Pharma, S.A. to market Yondelis in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Curaçao, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela; iii) with Onko Ilak San for marketing in Turkey; iv) with Key

Oncologics for the Republic of South Africa, Namibia and Botswana; v) with TTY for marketing and distribution of Yondelis in Taiwan, Hong Kong and Macau; vi) with STADA for marketing Yondelis in the Middle East and North Africa; and vii) with R-Pharm for marketing Yondelis in Russia, the rest of the Commonwealth of Independent States and Georgia.

In 2019, PharmaMar signed two marketing agreements for Yondelis: with Specialised Therapeutics Asia, Pte. Ltd. (STA) for Australia, New Zealand and Southeast Asia, and with Megapharm Ltd. for Israel and the Palestinian territories.

In all cases, PharmaMar retains exclusive rights to produce the product and will sell the product to its partners for commercial and clinical use.

As of 31 December 2024, combined sales under these new Yondelis agreements amounted to €9,391 thousand (€6,632 thousand in 2023).

Taiho Pharmaceutical Co

In 2009, PharmaMar signed a licensing agreement with Taiho Pharmaceutical Co. for development and commercialization of Yondelis in the Japanese market.

The commitments assumed by the Group as a result of the agreement have been fully met.

In 2015, Taiho obtained authorization from the Japanese regulator (PMDA) to market Yondelis for the treatment of several subtypes of soft tissue sarcoma.

In 2024, PharmaMar recognized €719 thousand in revenue for royalties received from Taiho for sales of Yondelis in Japan (€741 thousand in 2023).

23.2 Zepzelca

As of 31 December 2024, the Company had entered into the following licensing, development and marketing agreements with a number of partners:

Jazz Pharmaceuticals

On 19 December 2019, PharmaMar and Jazz Pharmaceuticals signed an exclusive licensing agreement for marketing anti-tumor compound Zepzelca in the US for treating relapsed small-cell lung cancer.The agreement came into force in January 2020 upon receiving authorization by the US anti-trust authorities under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

The commitments assumed by the Group as a result of the agreement include the following:

- R&D activities: The Group undertook to complete and conduct certain trials of the licensed molecule that will be required by the FDA. These trials may be carried out by a third party and, hence, are classified as a distinct service and, therefore, as a performance obligation.

- Manufacturing: The Group retains the exclusive right to manufacture the medicine, which will be supplied to Jazz Pharmaceuticals.

- Pharmacovigilance activities: The Group assumes this function on behalf of Jazz Pharmaceuticals.

- Granting of a license to the compound Lurbinectedin, which entails assignment of the rights to market it in the licensed territory.

When the agreement came into force in January 2020, PharmaMar collected an upfront payment of USD 200 million (€181 million).Subsequently, in June, Zepzelca was approved by the FDA for commercialization in the US under the accelerated approval procedure. As a result, PharmaMar collected USD 100 million (€88.5 million) as a milestone payment from Jazz Pharmaceuticals. The upfront payment and the development milestone payment were recognized as revenue in profit or loss in the various years on the basis of PharmaMar's fulfillment of its commitments under the contract.€22,962 thousand in revenues were recognized as of 31 December 2024 (€23,050 thousand in 2023).

In 2024, PharmaMar also received royalties from Jazz Pharmaceuticals amounting to €55,789 thousand on sales of Zepzelca in the US (€48,368 thousand in 2023).

Luye Pharma Group

In April 2019, the Group signed an out-licensing agreement with Luye Pharma Group for the development and marketing of Zepzelca for treating small cell lung cancer and potentially other indications in the territories of China, Hong Kong and Macao. Under the terms of the agreement, PharmaMar collected an upfront payment of USD 5,000 thousand (€4,452 thousand). Luye has undertaken to develop Zepzelca for treating small-cell lung cancer in China, while PharmaMar retains exclusive production rights. In December 2023, Luye received authorization to market Zepzelca in Hong Kong and Macau.

In December 2024, Luye Pharma Group received conditional approval from the National Medical Products Administration (NMPA) of the People's Republic of China to market Zepzelca to treat adult patients with small-cell lung cancer. PharmaMar received USD 5,000 thousand (€4,408 thousand) in connection with this approval.

Specialised Therapeutics Asia Pte, Ltd

In May 2017, PharmaMar signed a licensing agreement with Singapore-based Specialised Therapeutics Asia Pte, Ltd (STA) for commercialization of Zepzelca. PharmaMar received an upfront payment of €179 thousand.

In connection with this licensing agreement, in that same year STA subscribed for shares of PharmaMar for a total amount of €2,211 thousand.

In 2021, Zepzelca was approved for the treatment of lung cancer in Australia and Singapore, two territories licensed to STA. Those approvals triggered regulatory milestone payments in the amount of USD 450 thousand (€380 thousand).€116 thousand were recognized as revenue in 2024 (€115 thousand in 2023).

Boryung Pharmaceutical

In November 2017, a licensing agreement was signed with Boryung Pharma to market Zepzelca in South Korea. PharmaMar collected €1,000 thousand.

In 2020 and 2019, it collected €450 thousand and €300 thousand, respectively, for attaining certain regulatory milestones: submission of the registration application to the FDA in 2019, and FDA approval for marketing in 2020.

In 2022, Zepzelca was approved for the treatment of lung cancer in South Korea, a territory licensed to Boryung, which triggered a regulatory milestone payment of €1,000 thousand. €440 thousand were recognized as revenue in 2024 (€440 thousand in 2023).

Other agreements

In 2023, PharmaMar signed a licensing agreement with Key Oncologics to market and distribute lurbinectedin, registered as Zepzelca, its marine-derived anti-tumor compound, for treating small cell lung cancer in South Africa, Namibia, Zimbabwe, Mozambique, Eswatini, Lesotho and Botswana.

In 2021, PharmaMar signed licensing agreements for marketing Zepzelca: with Adium Pharma, S.A. for Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Curaçao, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela; with Lotus Pharmaceutical Co. for Taiwan; and with Eczacibasi Pharmaceuticals Marketing Co. for Turkey.

In 2020, PharmaMar signed a distribution agreement for Zepzelca with Impilo Pharma covering Eastern Europe, the UK, Ireland, the Nordic countries and some countries in the Middle East.

24. RESEARCH & DEVELOPMENT EXPENSES

The following table shows the amounts spent on R&D by business segment in 2024 and 2023:

Research and development expenses in 2024 (thousand euro)	Oncology	RNAi	TOTAL
Total expenses	94,428	9,074	**103,502**
Research & development expenses	**94,428**	**9,074**	**103,502**

Research and development expenses in 2023 (thousand euro)	Oncology	RNAi	TOTAL
Total expenses	83,633	15,669	99,302
Research & development expenses	**83,633**	**15,669**	**99,302**

25. GENERAL AND ADMINISTRATION EXPENSES

Consolidated general and administration costs amounted to €24,372 thousand, 33,5% more than in 2023 (€18,263 thousand). The increase stems mainly from the costs of commissioning the oligonucleotide production plant within the RNAi segment.

26. MARKETING EXPENSES

Commercial and marketing expenses decreased to €22,809 thousand in 2024, compared with €23,542 thousand in 2023.

27. OTHER GAINS/(LOSSES), NET

The breakdown of other income, by type, is as follows:

Breakdown of other net income (thousand euro)	31/12/24	31/12/23
Capital subsidies	2,570	999
Other income	1,117	253
Total	**3,687**	**1,252**

28. BREAKDOWN OF EXPENSES BY TYPE

The breakdown of operating expenses by type in 2024 and 2023 is as follows:

December 2024	Cost of goods sold	Marketing expenses	Administration expenses	R&D expenses	Parent company expenses	Other net gains	Total
(+/-) Variation in finished goods and work-in-process inventories	(8,183)	-	21,371	(1,242)	-	-	11,946
(+) Capitalized in-house work	-	-	-	-	-	-	-
(-) Purchases	-	(174)	(18,518)	(6,464)	-	-	(25,156)
(+) Other operating revenues	-	-	-	-	-	72	72
(-) Personnel expenses	-	(12,056)	(16,277)	(24,144)	(6,656)	-	(59,133)
(-) Other operating expenses	-	(9,714)	(9,371)	(67,846)	(6,031)	-	(92,962)

(-) Depreciation and amortization	-	(868)	(1,637)	(3,807)	(459)	-	(6,771)
(+) Recognition of subsidies for non-financial assets and other	-	-	-	-	-	2,569	2,569
(+/-) Impairment losses and income from disposal of assets	-	-	-	-	(51)	284	233
(+/-) Other income	-	3	60	1	(11)	762	815
Total	**(8,183)**	**(22,809)**	**(24,372)**	**(103,502)**	**(13,208)**	**3,687**	**(168,387)**

December 2023	**Cost of goods sold**	**Marketing expenses**	**Administration expenses**	**R&D expenses**	**Parent company expenses**	**Other net gains**	**Total**
(+/-) Variation in finished goods and work-in-process inventories	(9,145)	-	26,532	(5,944)	-	(1)	11,442
(+) Capitalized in-house work	-	-	-	-	-	-	-
(-) Purchases	(276)	(208)	(22,044)	(5,947)	-	(32)	(28,507)
(+) Other operating revenues	-	-	-	-	-	432	432
(-) Personnel expenses	(116)	(11,611)	(12,418)	(22,947)	(5,948)	(4)	(53,044)
(-) Other operating expenses	(42)	(10,855)	(8,832)	(61,592)	(6,112)	(1)	(87,434)
(-) Depreciation and amortization	(34)	(898)	(1,502)	(2,876)	(446)	-	(5,756)
(+) Recognition of subsidies for non-financial assets and other	-	-	-	-	-	986	986
(+/-) Impairment losses and income from disposal of assets	-	-	1	-	(6)	(175)	(180)
(+/-) Other income	-	30	-	4	-	47	81
Total	**(9,613)**	**(23,542)**	**(18,263)**	**(99,302)**	**(12,512)**	**1,252**	**(161,980)**

Other expenses are mainly related to services received, communications, utilities, travel, security, and directors' remuneration.

29. EMPLOYEE WELFARE EXPENSES

The breakdown of employee welfare expenses is as follows:

Employee welfare expenses (thousand euro)	**31/12/24**	**31/12/23**
Salaries and wages	47,361	42,479
Indemnities	1,162	376
Social security	8,342	7,859
Pension cost	64	66
Share ownership plans	243	294
Other welfare expenses	1,975	1,970
Overprovision for employee remuneration	(14)	-
Total	**59,133**	**53,044**

The average number of employees by professional category and gender is as follows:

Average number of employees by category and gender	Men		Women		Total	
	2024	2023	2024	2023	2024	2023
Executive directors	3	2	-	-	3	2
Senior managers	4	4	4	4	8	8
Management	10	11	15	12	25	23
Middle management	45	44	52	47	97	91
Technical staff	118	115	167	182	285	297
Clerical and similar staff	6	8	59	62	65	70
Other	11	12	6	6	17	18
TOTAL	**197**	**196**	**303**	**313**	**500**	**509**

As of 31 December 2024, five of the twelve members of the Board of Directors were women (in 2023, five of the twelve directors were women). There were 19 women among the PharmaMar Group's 36 executives, including executive directors (16 out of 33 in 2023).

The Group companies have an average of seven employees with functional diversity greater than or equal to 33% (eight in 2023).

30. NET FINANCIAL INCOME

Net financial result (thousand euro)	31/12/24	31/12/23
On debts to third parties and similar expenses	(2,469)	(2,416)
Losses on financial assets		(17)
Exchange loss	(6,059)	(6,994)
Financial expenses	**(8,528)**	**(9,427)**
Other interest and similar revenues	5,665	4,103
Income from financial investments	15	218
Exchange gains	8,365	5,310
Financial revenues	**14,045**	**9,631**
Total net financial income	**5,517**	**204**

In 2024 and 2023, most of the exchange differences were due to marking the deposits held in US dollars to market.

31. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing income attributable to equity holders of the controlling company by the weighted average number of shares outstanding during the year.

Basic earnings per share in 2024 and 2023 were as follows:

Earnings per share (basic)	31/12/24	31/12/23
Income attributable to equity-holders of the controlling company (thousand euro)	26,125	1,137
Weighted average number of outstanding ordinary shares (*thousand shares)*	17,539	17,900
Basic earnings per share (euro)	**1.49**	**0.06**

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding ordinary shares to reflect conversion of all potentially-dilutive ordinary shares.

Diluted earnings per share in 2024 and 2023 were as follows:

Earnings per share (diluted)	**31/12/24**	**31/12/23**
Income attributable to equity-holders of the controlling company (thousand euro)	26,125	1,137
Weighted av. no. of ordinary shares for diluted earnings per share *(thousand shares)*	17,562	17,916
Diluted earnings per share (euro)	**1.49**	**0.06**

The reconciliation between the weighted average number of ordinary shares outstanding and the weighted average number of ordinary shares for the purposes of diluted earnings per share is shown below.

Reconciliation of basic to diluted shares	**31/12/24**	**31/12/23**
Weighted average number of outstanding ordinary shares (thousand shares)	17,539	17,900
Adjustments for: Employee share ownership plan (thousand shares)	23	16
Weighted av. no. of ordinary shares for diluted earnings per share	**17,562**	**17,916**

32. RELATED-PARTY TRANSACTIONS

The following are considered to be related parties of the controlling company for the purposes of this note: the Company's significant shareholders, directors and executives, the close relatives of all of them, and the companies over which any of those persons have a significant influence.

Significant shareholders are those who own over 3% of capital. Employees who report to the Chairman, who is the Company's chief executive, are classified as executives even if they have an ordinary employment contract (rather than a senior management contract in accordance with Spanish Royal Decree 1382/85).

32.1 Board of Directors

The following table shows the remuneration paid in 2024 and 2023 to directors of PharmaMar Group:

Remuneration (thousand euro)	**31/12/24**	**31/12/23**
Fixed remuneration for executive directors	1,932	1,507
Variable remuneration for executive directors	1,380	1,166
Fixed remuneration for belonging to the Board of Directors	852	846
Board and Board committee meeting attendance fees	425	541
Fixed remuneration for belonging to Board committees	743	734
Remuneration for Lead Independent Director	19	19
Other remuneration	387	380
TOTAL	**5,738**	**5,193**

In 2024, the items "Fixed remuneration for executive directors" and "Variable remuneration for executive directors" include the remuneration for the CEO of Sylentis, a position that did not exist in 2023.

The "Other remuneration" item in 2024 and 2023 refers to certain benefits paid in kind to the Company's Chairman and Vice-Chairman, such as casualty and health insurance (both under the group policy for Company employees), and a group life insurance for which the Company pays an annual premium of €12

thousand for each of the two executive directors. The Chairman also has support, surveillance and security personnel, as well as a high-end vehicle that is in keeping with his status.

With respect to the executive director's variable remuneration, €1,295 thousand accrued as a result of the evaluation of objectives approved by the Board of Directors at a meeting on 28 January 2025, based on a proposal by the Appointments and Remuneration Committee.

The company has arranged a civil liability policy for the members of the Company's Board of Directors. The premium paid in 2024 was €298 thousand (€390 thousand in 2023).

32.2 Senior management remuneration and loans

Company senior management received aggregate total remuneration of €3,311 thousand (€2,867 thousand in 2023).

32.3 Companies related to the directors and executives and their close relatives

In 2024, a company related to one member of the Board of Directors provided services to a Group company amounting to €13 thousand (€14 thousand in 2023).

33. SHARE-BASED PAYMENTS

At the end of 2024, PharmaMar and the Group companies had three share ownership plans in place for Group executives and employees (excluding directors of Pharma Mar, S.A.).Those plans were implemented in 2022, 2023 and 2024 and were offered in the same conditions to all employees and executives of Group companies (excluding directors of Pharma Mar, S.A.) who had at least six months' seniority as of 31 December 2021, 2022 and 2024, respectively, and were liable for personal income tax.

Below are details of the essential terms and conditions of those share ownership plans. At the start of each year, each Group company that has decided to apply the Share Ownership Plans provides the Board of Directors of PharmaMar with a list of plan beneficiaries (i.e. employees who meet the conditions established in the relevant decision by the Shareholders' Meeting).Additionally, given that participation in such plans has been voluntary, the lists for the Plan include only employees and executives who decided to participate and to allocate part of their salary to the Plan; each beneficiary is assigned the same percentage for the purposes of calculating the number of shares to be allocated. Based on that information, the Board of Directors resolved that these beneficiaries should be given, by their respective employers, shares for the amount detailed in the aforementioned lists (not exceeding €12,000 per beneficiary and year in any event).

The number of shares delivered to each beneficiary under the Share Ownership Plans is the result of dividing the amount of salary allocated to the Plan in question by the value attributed to the shares, and applying the percentage of 100% (i.e. delivering an amount of shares equivalent to the shares acquired by the beneficiary).In all the Plans, the value attributed to the shares was the lower of: a) the weighted average price of the PharmaMar share in the electronic market on the Plan's execution date; or b) the arithmetic mean of the weighted average price of the PharmaMar share in the electronic market in the month prior to the execution date.

Beneficiaries hold the voting and dividend rights to the shares delivered to them from the date of effective delivery, although those shares are subject to lock-up for three years from that date (lock-up period); nevertheless, some of the shares will be released from lock-up 18 months after delivery: specifically, the number of shares resulting from dividing the total number of shares that were delivered by two. The delivery of those shares, which must remain locked up for the above-mentioned lock-up period, is subject to a condition subsequent which is understood to be met in the event of voluntary severance or fair dismissal of the beneficiary. In the event of cessation of employment due to a cause other than those two, the lock-up is lifted.

33.1 Year 2021 (Share Ownership Plan approved by the Ordinary Shareholders' Meeting on 18 June 2020)

On 18 June 2020, the Shareholders' Meeting of Pharma Mar, S.A. approved a new Share Ownership Plan that was executed in April 2021.The Company allocated 500,000 own shares from treasury stock to execute this plan.

In executing this Plan, a total of 8,026 shares were allocated in 2021 to 183 beneficiaries at a value of €103.0164 per share.

In 2022, a total of 3,538 shares were released from lock-up under this Plan.

In relation to this Plan, a total of 1,550 shares were canceled in 2024: 475 shares purchased by employees and executives and 1,075 shares contributed by the Group.

This Plan concluded in May 2024 since the three-year lock-up period had expired, and the shares that were under lock-up were released. A total of 2,938 shares were released.

33.2 Year 2022 (Share Ownership Plan approved by the Ordinary Shareholders' Meeting on 15 April 2021)

On 15 April 2021, the Shareholders' Meeting of Pharma Mar, S.A. approved a new Share Ownership Plan that was executed in May 2022.The Group allocated 41,000 own shares from treasury stock to execute this plan.

In executing this plan, a total of 8,244 shares were allocated in 2022 to 167 beneficiaries at a value of €71.5923 per share.

In 2023, a total of 3,694 shares were released.

In relation to this Plan, a total of 1,082 shares were canceled in 2024: 428 shares purchased by employees and executives and 654 shares contributed by the Group.

As of 31 December 2024, there were 3,468 shares that had not accrued.

33.3 Year 2023 (Share Ownership Plan approved by the Ordinary Shareholders' Meeting on 29 June 2022)

On 29 June 2022, the Shareholders' Meeting of Pharma Mar, S.A. approved a new Share Ownership Plan that was executed in April 2023.The Group allocated 41,000 own shares from treasury stock to execute this plan.

In executing this plan, a total of 15,634 shares were allocated to 177 beneficiaries at a value of €42.2623 per share.

In 2024, 6,784 shares were released under this plan.

In relation to this Plan, a total of 2,113 shares were canceled in 2024: 1,033 shares purchased by employees and executives and 1,080 shares contributed by the Group.

As of 31 December 2024, there were 6,737 shares that had not accrued.

33.4 Year 2024 (Share Ownership Plan approved by the Ordinary Shareholders' Meeting on 31 May 2023)

On 31 May 2023, the Shareholders' Meeting of Pharma Mar, S.A. approved a new Share Ownership Plan that was executed in April 2024.The Group allocated 41,000 own shares from treasury stock to execute this plan.

In executing this plan, a total of 18,510 shares were allocated in 2024 to 157 beneficiaries at a value of €28.3616 per share.

In relation to this Plan, a total of 944 shares were canceled in 2024: 472 shares purchased by employees and executives and 472 shares contributed by the Group.

As of 31 December 2024, there were 17,566 shares that had not accrued.

33.5 Year 2025 (Share Ownership Plan approved by the Ordinary Shareholders' Meeting on 29 May 2024)

On 29 May 2024, the Shareholders' Meeting of Pharma Mar, S.A. approved a new Share Ownership Plan to encourage employees and executives of Group companies to own capital in Pharma Mar, S.A. and to remain in the Group, under the same conditions for all of them. The maximum number of shares that can be allocated for the execution of this plan was set by the Shareholders' Meeting at 41,000, which will be taken from treasury stock held by the Company at the time the plan is implemented. The Shareholders' Meeting determined that the

beneficiaries of this Plan would be the Group's employees and executives (excluding directors of Pharma Mar, S.A.) who are in active service at the time the plan is implemented and have at least six months' seniority as of 31 December 2024.

The Shareholders' Meeting empowered the Board of Directors to determine the other terms and conditions of the Plan. At the date of authorizing these financial statements, the Plan was pending execution, and the Board of Directors of PharmaMar had yet to establish the conditions of same under the powers granted specifically for this purpose by the Shareholders' Meeting.

The following table shows the number of shares under each plan as of 31 December 2024, adjusted for the stock merge:

Plan / Grant date	Shares allocated in the Plan	Shares purchased by employees - canceled	Shares purchased by employees - accrued	Shares purchased by employees - not yet accrued	Shares contributed by employer - canceled	Shares contributed by employer - accrued	Shares contributed by employer - not yet accrued	Total number of shares not yet accrued	Fair value per share	Accrual period
	(1)+(2)+(3) +(4)+(5)+(6)	(1)	(2)	(3)	(4)	(5)	(6)	(3)+(6)		
Plan 19 June2020 (Granted April 2021)	8,026	475	3,538	-	1,075	2,938	-	-	103.02	Mar. 24
Plan 20 April2021 (Granted May 2022)	8,244	428	3,694	-	654	-	3,468	3,468	71.59	May 25
Plan 21 June2022 (Granted April 2023)	15,634	1,033	6,784	-	1,080	-	6,737	6,737	42.26	May 26
Plan 22 May 2023 (Granted April 2024)	18,510	472	-	8,783	472	-	8,783	17,566	28.36	April 27
	50,414	**2,408**	**14,016**	**8,783**	**3,281**	**2,938**	**18,988**	**27,771**		

A total of €273 thousand were recognized as reserves for the amortization of the share ownership plans in 2024 (€306 thousand in 2023).Additionally, the amount recognized in the period was €246 thousand (€310 thousand in 2023), and €21 thousand were derecognized (€8 thousand in 2023).

34. DUTY OF LOYALTY

Director conflicts of interest

Based on the disclosures presented by each of the Company's directors, they and, to the best of their knowledge and belief, their related parties did not incur in the situations of conflict of interest envisaged in article 229.1 of the Consolidated Text of the Capital Companies Act, except in the case of related-party transactions authorized by the Company's Board of Directors or its Committees, which are disclosed in Note 29 to the Separate Financial Statements, Note 32 to the Consolidated Financial Statements, and section D.3 of the Annual Corporate Governance Report for the year ended 31 December 2024, which forms part of these Financial Statements and of the Consolidated Directors' Report.

35. CONTINGENCIES

Contingent liabilities

Under current law, tax returns cannot be deemed definitive until they have been inspected by the tax authorities or the statute of limitations period has elapsed. The Group has the last four years open for review for the main taxes applicable to it (five years in the case of corporate income tax).

A tax inspection of the Spanish Group for 2010, 2011, 2012 and 2013 was completed in September 2016 for the following taxes: corporate income tax, VAT, personal income tax (withholdings), non-residents' personal income tax, and withholdings from income from capital. PharmaMar's management has made its best estimates of the tax risk represented by the tax assessments. This tax risk is not material in relation to the financial statements.

For the rest of the years open to inspection, the Company's directors do not anticipate that additional liabilities will arise or that the amount of recognized assets might be reduced such as to have a material effect on these consolidated financial statements.

Contingent assets

The Group did not have contingent assets as of 31 December 2024 and 2023.

36. COMMITMENTS

Operating lease commitments

The minimum future non-cancelable operating lease payments are as follows:

Operating lease commitments (thousand euro)	31/12/24	31/12/23
Under 1 year	3,400	1,696
1 to 5 years	3,374	5,087
Total	**6,774**	**6,783**

37. AUDITORS' FEES

The fees accrued by KPMG AUDITORES, S.L. and other firms in its network amounted to €434 thousand in 2024 for the statutory audit of Pharma Mar, S.A. and dependent companies (€438 thousand accrued by PricewaterhouseCoopers Auditores, S.L. in 2023). Fees for other non-audit services amounted to €23 thousand in 2024 (€48 thousand accrued by PricewaterhouseCoopers Auditores, S.L. in 2023). Fees for other non-audit services amounted to €65 thousand in 2024.

38. ENVIRONMENT

There were no material investments in environmental matters in 2024 and 2023.In 2024, with the aim of reducing greenhouse gas emissions and promoting the self-supply of electricity, the Company invested €103 thousand to install and commission 105 solar photovoltaic panels which, together with the existing ones, will be able to supply up to 12% of the electricity consumed by the Colmenar Viejo laboratory.

Environmental protection and improvement expenses amounted to €106 thousand in 2024 (€157 thousand in 2023).

The Company is not aware of any contingencies relating to environmental protection and there are no risks that could have been transferred to other companies; consequently, it was not necessary to recognize any provisions for environmental actions in the year.

39. SUBSEQUENT EVENTS

Between year-end and the authorization of these consolidated financial statements, no significant events occurred that affect the content of these financial statements and there were no other events requiring disclosure.

CONSOLIDATED DIRECTORS' REPORT 2024

1. COMPANY SITUATION

1.1. Organizational structure

Pharma Mar, S.A. (the Company) is the holding company of a group of companies (PharmaMar Group or the Group) whose financial disclosures as of 31 December 2024, are presented in two segments: Oncology and RNA interference. In 2024, the liquidation of Genómica, SAU was placed on record with the Spanish registry of companies (Registro Mercantil), following the Pharma Mar Board of Directors' decision on 27 September 2022 to discontinue the Diagnostics business.

PharmaMar became the parent company of the Group in 2015 through a reverse merger of Zeltia (absorbed company) into PharmaMar (acquiring company). As a result of that merger, the entire net worth of Zeltia, with its rights and obligations, was transferred en bloc to the acquiring company, PharmaMar.

The Board of Directors of the Group parent company, PharmaMar, defines the general strategy. It has the following sub-committees: Executive Committee, Audit Committee, and Appointments, Remuneration and Sustainability Committee.

1.2. Operations: Business model, strategy

The development and marketing of marine-derived antitumor drugs has become firmly established as the core business of the PharmaMar group. Oncology is the Group's most strategic and fastest-growing area.

The business model focuses on the discovery of new anti-tumor molecules of marine origin and on advancing them from the preclinical stage through the various clinical phases. The objective is to develop innovative drugs that provide significant therapeutic benefits for cancer patients.

A key differentiating factor within the oncology business model is our proprietary discovery platform, which enables us to identify new molecules to strengthen the pipeline of products under development, creating opportunities for the company to develop new drug candidates. The Group has several antitumor molecules in its pipeline at various stages of development, the goal being to bring new compounds to market.

PharmaMar's business model includes having its own sales structure covering Europe. This structure not only enables it to sell its products directly in the EU, but also provides scope to leverage future opportunities to sell third-party products.

PharmaMar sees its strengths as being:

- A powerful technology platform for discovering new molecules. This platform, using marine organisms as the basis for its research, has enabled the Group to develop novel oncological treatments that provide new therapeutic alternatives for patients and have been approved for marketing in the world's main oncology markets. PharmaMar has obtained marketing approval for three of its molecules: trabectedin, lurbinectedin and plitidepsin. In addition, its discovery platform provides it with new candidates in earlier stages of clinical and pre-clinical development with the objective of finding new treatments and obtaining future approvals.

- There is potential for compounds already approved for certain antitumor uses to be extended into new indications.

- A very well established commercial structure in Europe that is focused on oncology and has the capacity to expand its portfolio with new products.

- Revenue and a solid balance sheet with a net cash position and a low level of debt enable the Group to fund R&D expenditure for continued growth.

- Licensing agreements with international partners for marketing PharmaMar's compounds outside Europe. These agreements represent an important source of revenue.

- Since its inception, Pharma Mar has established what is likely the world's largest library of marine organism samples, which is a valuable resource for the discovery of new drugs.

- The Group's strategy also includes the search for strategic alliances with partners, preferably in the same industry, that will invest and collaborate in advancing the compounds through the various research phases and in subsequent marketing.

- We remain dedicated to innovation, with oncology as our primary focus for R&D investment, underscoring our strong commitment to developing new treatments.

- PharmaMar is investing in other opportunities, enabling it to diversify part of its business. The company is conducting clinical trials in ophthalmology utilizing one of the latest gene silencing technologies based on RNA interference, with specific applications in this field.

The key components of the Group's oncology strategy are:

- Advancing our strategic asset, lurbinectedin, through the various stages of clinical development, both in small cell lung cancer and in new indications to broaden its scope of application.

- Continue the clinical development of molecules currently in the pipeline to advance them along the clinical development track.

- Use its unique, marine-based technological platform to continue feeding its pipeline of compounds. Two new molecules have been added to the oncology pipeline in the last 18 months.

- In-license one or more third-party products for marketing through the PharmaMar sales network. These would be products in the commercial or regulatory phase that would contribute to increasing Group revenues.

- Maximize the commercial value of lurbinectedin in markets outside the US and Europe through partnerships with third parties.

Regarding the areas other than oncology:

- In the area of RNA interference, progress is being made in a number of clinical trials in ophthalmology.

- The RNAi area has its own software (siRFINDER™) for rational design of small interfering RNAs (siRNAs) using mathematical algorithms and Artificial Intelligence (AI).This makes it possible to produce specific drugs for a range of pathologies. The RNAi area is open to collaboration with third parties to develop therapies.

- Since 2022, the RNAi area has a pilot plant for the production of oligonucleotides. In 2024, we completed the construction of an oligonucleotide production plant that will enable the company to cover its own potential production needs as well as producing for third parties.

1.3 Notable events in 2024.

The events of 2024 can be grouped into the following areas, commencing with the compound lurbinectedin (Zepzelca**)** in the Oncology area:

1) Marketing approval for Zepzelca in new territories:

   - Pharma Mar's partner, Luye Pharma Group Ltd., obtained conditional authorization from China's National Medical Products Administration (NMPA) to market Zepzelca® (lurbinectedin) for the

treatment of adult patients with metastatic small cell lung cancer who have experienced disease progression during or after platinum-based chemotherapy.

2) Clinical trials:

- Pharma Mar, S.A. and its partner Jazz Pharmaceuticals plc have announced positive, statistically significant overall survival and progression-free survival results for Zepzelca (lurbinectedin) in combination with atezolizumab for first-line maintenance treatment of small cell lung cancer. PharmaMar plans to submit a marketing authorization application (MAA) to the European Medicines Agency (EMA) in the first half of 2025 to secure approval in the European Union.

- The LAGOON Phase III clinical trial, assessing Zepzelca® (lurbinectedin) for second-line treatment of patients with small cell lung cancer, successfully reached its recruitment target.

In the area of RNAi technology, the first phase of an oligonucleotide production plant, which began construction in 2023, was completed in 2024. This phase includes offices, the quality control department, and the development and manufacturing facilities. This plant will enable the company to cover its potential production needs and to produce for third parties, expanding production capacity as demand evolves. In September, the quality control laboratory of this new plant was inspected by the Spanish Agency for Medicines and Medical Devices, resulting in the issuance of a Good Manufacturing Practices (GMP) certificate for drugs under clinical research. With the completion of this first phase, the new pharmaceutical plant, located in the municipality of Getafe, is now authorized to manufacture active ingredients, conduct quality control analyses, and release any drug based on oligonucleotides.

2. Business performance and results

2,1. Total revenues

	12/31/24	12/31/23	Var.
RECURRING REVENUE	**127,889**	**124,051**	**3%**
Oncology sales	66,542	70,681	-6%
Other sales	0	1,192	-100%
Royalties	61,347	52,178	18%
NON RECURRING REVENUE	**46,966**	**34,102**	**38%**
License Agreements	46,518	33,590	38%
Other	448	512	-13%
TOTAL REVENUES	**174,855**	**158,153**	**11%**

(Thousand euro)

As of 31 December 2024 group revenue totaled €174,9 million, 11% more than in 2023 (€158.2 million).The breakdown of that figure is as follows:

Recurring revenue, i.e. net sales plus royalties from sales by partners, amounted to €127.9 million as of 31 December 2024, i.e., an increase of 3% from the €124.0 million reported in 2023.Sales and royalties are broken down below.

Net revenue in the oncology segment amounted to €66.5 million as of 31 December 2024, down 6% on 2023 (€70.7 million).The breakdown of net sales is as follows:

i) Net sales of Yondelis in the European market: Yondelis sales in Europe amounted to €18.0 million as of 31 December 2024 (€26.1 million in 2023).

ii) Lurbinectedin revenue in Europe as of 31 December 2024:

a. This item amounted to €22.2 million (€28.9 million in 2023), mostly from the French compassionate use program. The difference between periods is due to reversal, in the first half of 2023, of overprovisions for deductions applicable under that program. Adjusting for that effect, this item increased by 23%.
b. Additionally, commercial sales of Zepzelca amounted to €6.4 million (2023: €0.7 million).

iii) Sales of raw materials, both Yondelis and Zepzelca, to our partners. This item amounted to €20.0 million as of 31 December 2024, compared with €14.9 million in 2023.The increase reflects our partners' preparations for commercial sales.

Royalties revenue amounted to €61.3 million in 2024, an 18% increase on the €52.2 million recognized in 2023. That figure includes royalties from Zepzelca sales by our US partner, Jazz Pharmaceuticals, which increased by 15% year-on-year to €55.8 million in 2024 (€48.4 million in 2023).

In addition, royalties were also received for sales of Yondelis by our partners in the United States and Japan in the amount of €5.2 million in 2024 (€3.8 million in 2023).

Non-recurring revenue, mainly from out-licensing agreements, amounted to €46.5 million as of 31 December 2024, compared with €33.6 million in 2023, a 38% increase. Of the €46.5 million recognized as non-recurring revenue during this period: (a) €23.0 million is deferred revenue from the 2019 agreement with Jazz Pharmaceuticals related to Zepzelca (€23.0 million as of 31 December 2023); (b) €17.9 million relates to receipts under the license agreement with Janssen for Yondelis (€9.4 million as of 31 December 2023); and (c) €4.4 million comes from revenues under the license agreement with Luye for Zepzelca.

2,2.EBITDA. Net profit.

Group EBITDA amounted to €13.0 million as of December 2024 (€2.1 million in 2023).

	31/12/24	31/12/2023
Net income	**26,125**	**1,137**
Income tax	(14,140)	(4,760)
Financial result	(5,517)	(204)
Depreciation and amortization	6,550	5,911
EBITDA	**13,018**	**2,084**

(Thousand euro)

(EBITDA: revenues and expenses before interest, taxes, depreciation and amortization, and indemnities).

The change in EBITDA reflects the effect of the 11% year-on-year increase in revenues in 2024, while total operating expenses, including R&D and cost of sales, increased by 5%.

The EBITDA contribution by the business segments is as follows:

	Dec. 2024	Dec.2023
Oncology	39,409	31,319
RNAi (Oftalmology)	(13,104)	(15,872)
Unallocated (Corporation)	(13,287)	(13,363)
EBITDA	**13,018**	**2,084**

(Thousand euro)

Income after taxes amounted to €26.1 million in 2024 (€1.1 million in 2023).

2,3.R&D expenditure

R&D expenditure increased by 4%, from €99.3 million in December 2023 to €103.5 million as of 31 December 2024.

This increase is directly related to the significant increase in activity in ongoing clinical trials, mainly the LAGOON Phase III clinical trial in small cell lung cancer, which has already recruited the planned number of patients, and the SaLuDo Phase IIb/III clinical trial in leiomyosarcoma, both with Zepzelca. The company is also investing in early-stage clinical development of other molecules. There are two Phase II trials under way with ecubectedin in solid tumors, as well as Phase I trials with PM534 and PM54 in solid tumors. Progress continues to be made in preparing new candidates for clinical development and in preclinical trials to bring new molecules to the clinical pipeline. Of the total amount allocated to R&D, €4.9 million (€10.8 million in 2023) were spent on the clinical development of plitidepsin as an antiviral; this expenditure is recognized in the oncology segment.

In the RNA interference segment, the main R&D expenditure arises from activities related to the Phase II clinical trial of the compound SYL1801 for the treatment and/or prevention of choroidal neovascularization, a common cause of retinal diseases such as age-related macular degeneration (AMD) and diabetic retinopathy. Patient recruitment for this trial concluded in 2024, as did the closing activities of the Phase III clinical trial with tivanisiran for dry eye associated with Sjögren's syndrome, which did not meet its end-points.

	Dec-24	Dec-23	Change
R&D expenses	**103,502**	**99,302**	**4%**
Oncology	94,428	83,633	13%
RNAi	9,074	15,669	-42%

(Thousand euro)

2,4.Other operating expenses

Operating expenses: the Group spent €60.6 million on marketing, commercial, general, administrative and other expenses in 2024 (€54.6 million in 2023), an 11% increase year-on-year, mainly as a result of the administrative and general expenses related to start-up of the Sylentis nucleotide production plant.

	Dec-24	Dec-23	Change
Other operating expenses	**60,606**	**54,588**	**11%**
Marketing	22,809	23,542	-3%
General and administrative	24,372	18,263	33%
Other operating expenses (Corporation)	13,425	12,783	5%

(Thousand euro)

2,5.Personnel

The Group had an average of 500 employees in 2024 (509 in 2023). The average number of employees is 448 in Oncology and 52 in the RNAi segment.

Women account for 60.6% of the average workforce in 2024 (61.5% in 2023).

An average of 100% of employees had indefinite contracts (99.2% in 2023).

The table below shows the segmentation by gender and category:

	Women	Men	TOTAL
Executive directors	0	3	3
Senior managers	4	4	8
Management	15	10	25
Middle management	51	45	96
Technical staff	168	118	286
Clerical and similar staff	59	6	65
Other	6	11	17
TOTAL	**303**	**197**	**500**

2,6.Environmental issues

The Company did not need to incur material investments to protect and improve the environment during the year.

Since there were no contingencies relating to environmental protection and improvement and there are no risks that could have been transferred to other companies, it was not necessary to recognize any provisions for environmental actions in the year.

Through two committees, the Audit Committee and the Remuneration, Appointments and Sustainability Committee, PharmaMar's Board of Directors oversees and monitors the sustainability and non-financial information provided by the company.

PharmaMar's environmental objectives are to reduce greenhouse gas emissions, improve the energy efficiency of its facilities and production processes, promote the use of clean energy, use resources rationally, encourage recycling, and promote actions to protect marine biodiversity, since the marine environment is the basis of our business.

Pharma Mar calculates the carbon footprint of its operations, including scope 1, 2 and 3 sources of GHG emissions. This is the first step towards setting ambitious, science-based emissions reduction targets and becoming a net-zero company.

PharmaMar Group's carbon footprint was calculated in accordance with the methodological guidelines set out in the GHG Protocol, the most widely recognized international standard that establishes standardized frameworks for measuring, managing and reporting companies' GHG emissions.

PharmaMar has submitted its carbon footprint calculations and targets to the Science Based Targets Initiative (SBTI).The objectives are as follows:

- Short-term decarbonization target:42% reduction in Scope 1 and 2 emissions by 2030 with respect to the baseline year (2021).
- Long-term net-zero target:90% reduction of Scope 1, 2 and 3 emissions by 2050 and neutralization of residual emissions (remaining 10%).

In 2024, Pharma Mar produced a Climate-Related Risks and Opportunities Report in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the EU Taxonomy. This analysis examines the physical and transition risks that the Company will have to face in the medium and long term, as well as the opportunities that mitigating climate change will bring.

The report is divided into several sections:

- Governance: describes the governance structure for managing climate-related risks and opportunities.
- Risk identification and management: an analysis of the physical risks (climate events such as temperature, wind, water) and transition risks (relating to government policy, technology, markets and reputation), in order of priority according to probability, severity, fragility and adaptive capacity.

- Description of risks and opportunities: the climate impacts on the Colmenar Viejo and Getafe laboratories and on our main suppliers are evaluated qualitatively and quantitatively, taking into account varying climate patterns up to 2050.
- Impacts and opportunities: we analyze the financial impact of physical and transition risks, and quantify any economic opportunities.
- Strategy: a discussion of the Company's approach to climate adaptation and mitigation.
- Metrics and targets: indicators are introduced to monitor and manage climate risk.

Our analysis leads us to conclude that Pharma Mar's facilities are not exposed to high climate risks under any of the scenarios considered. A medium-low risk only exists in the most extreme case (Representative Concentration Pathway 8.5) and in events of water stress and drought. However, some suppliers do pose a medium risk in the event of heavy rain, flooding and fire, which has prompted the Company to diversify its supply sources.

Key energy transition risks include the potential future price of carbon emission allowances, certain regulatory obligations and the cost of adopting cleaner technologies. The financial impact would in any case be limited, given Pharma Mar's low-carbon business model. As for opportunities, we should highlight energy efficiency and the use of clean energy.

Throughout 2024, the Company continued striving to reduce the emissions generated by its production processes. Major actions included:

- The Appointments, Remuneration and Sustainability Committee approved a Net Zero Plan for gradual decarbonization of the Company over the medium and long term.
- We installed photovoltaic solar panels at our laboratories in Colmenar Viejo and Getafe, which will enable us to meet 12% and 30%, respectively, of electricity demand with 100% renewable self-produced energy.
- The Colmenar Viejo laboratory was supplied with 100% certified renewable electricity throughout 2024.

2,7.Average period taken to pay suppliers

Information on the average supplier payment period, the payment ratios of trade transactions in 2024 and pending payment at the end of the year in relation to the maximum legal payment periods envisaged in Act 15/2010 is as follows:

	2024	2023
Average time taken to pay suppliers (days)	52	49
Proportion of transactions paid (days)	54	50
Proportion of transactions outstanding (days)	39	30

The average supplier payment lag in the year between 1 January and 31 December 2024 was 52 days (49 days in 2023).

Payments totaled €140.5 million in 2024 (€120.0 million in 2023).The balance of outstanding payments was €14.7 million as of 31 December 2024 (€12.2 million in 2023).

A total of 13,713 invoices amounting to €155.2 million were received in 2024 (12,409 invoices amounting to €132.2 million in 2023).

Invoices paid during the year in less than the maximum period amounted to 61.8% of the total amount of invoices paid in the year.

The invoices paid in less than the maximum period accounted for 67.2% of the total number of invoices paid in the year.

3.- Liquidity and Capital

As of 31 December 2024, the balance of cash and cash equivalents, along with current and non-current financial assets, amounted to €157.0 million (€168.6 million in 2023).

As of 31 December 2024, total interest-bearing debt had increased by €8.0 million compared with 2023 year-end as a result of arranging a €15.0 million five-year bank loan, with a one-year grace period, to finance the new oligonucleotide manufacturing plant. Loans from banks and government agencies were repaid during the period in the amount of €5.7 million.

For the purpose of comparing balance sheet figures, the Group's total net interest-bearing debt at amortized cost in the last two years is detailed below:

	12/31/2024	12/31/2023	Var.
Non current debt	**39,865**	**27,036**	**12,829**
Obligations and bonds	16,831	16,769	62
Govt. Agencies: R&D funding	8,918	10,267	-1,349
Current debt	**7,966**	**12,825**	**-4,859**
Credit facilities	4,718	6,458	-1,740
Bank loan	884	3,226	-2,342
Govt. Agencies: R&D funding	1,753	2,435	-682
Interest and others	611	706	-95
Total financial debt	**47,831**	**39,861**	**7,970**
Cash&cash equivalents + non current and current financial investment	**156,985**	**168,625**	**-11,640**
TOTAL NET CASH / (DEBT)	**109,154**	**128,764**	**-19,610**

(Thousand euro)

As a result, Group net cash flow in 2024 was positive in the amount of €109.2 million (€128.8 million in 2023).This level of cash flow and expected revenue will enable the Group to undertake the planned development and R&D work in the coming years without cash stresses.

4.- Primary Risks and Uncertainties

4,1.Situation risks

Competition.

The pharmaceutical market is highly competitive and involves multinationals, small and medium-sized domestic players, and generic producers.

The PharmaMar Group's results may be affected by the launch of novel or innovative products, technical and technological progress, and the launch of generics by competitors.

Industrial property. Patents.

Industrial property is a key asset for the PharmaMar Group. Effective protection of industrial property is vital for ensuring a reasonable return on investment in R&D. Industrial property can be protected by registering patents, trademarks, brand names, domains, etc.

Patents run for 20 years in most countries, including the USA and the European Union. The effective period of protection depends on how long drug development takes before launch. To compensate partly for such a long development period and the need to obtain authorization before marketing a drug, a number of markets (including the USA and the European Union) offer patent extensions in certain circumstances.

Deficient protection of an invention or excessively long development times that limit the patent's useful life are risks inherent to the pharmaceutical business.

The PharmaMar Group has a rigorous patent policy which seeks to protect inventions obtained through its R&D activities. In addition to the protection that can be obtained for newly-discovered active principles, the Group also actively seeks protection for new formulations, production processes, medical applications and even new methods of drug administration.

The Group has a system for managing its patents' life cycle, with patent departments that regularly review the patent situation in coordination with the regulatory affairs department. It is also vigilant to detect breaches of our patents by other companies with a view to taking legal action if necessary.

Regulation

The pharmaceutical industry is highly regulated. Regulations cover such aspects as research, clinical trials, drug registration, drug production, technical validation of production standards, and even aspects of marketing. Regulatory requirements have become more stringent in recent times and this trend is expected to continue.

In most countries, pharmaceutical prices are controlled and regulated by the government, which has the power to authorize, disallow or even rule out reimbursement for the products. In recent years, prices have been reduced and reference prices have been approved, while the marketing and prescription of generics and biosimilar products have been facilitated.

To offset the risk of a constant flow of new legal and regulatory requirements, the Group makes its decisions and designs its business processes on the basis of developing innovative products in therapeutic areas where treatment options are very limited. The Group also constantly obtains exhaustive analyses of these issues by our own experts and by prestigious external experts where necessary.

Capital availability

Because the markets are not always open and PharmaMar Group incurs significant R&D expenditure each year, the group seeks a range of funding sources, in both the credit and capital markets, to finance its growth, implement its strategy and generate income in the future.

The Group has spread out its risk considerably among various credit institutions, which provides it with greater flexibility and limits the impact in the event that any of its loans are not rolled over.

The Group has also issued long-term debt in order to diversify its funding sources.

Shareholders

As in the case of any listed company, there is the risk that a shareholder may consider that a decision by the Board of Directors or the Group's executives is harmful to their interests as a shareholder and file a complaint.

The Group has director and executive liability insurance which covers the risk of a shareholder filing a complaint on the grounds that a decision by the Board of Directors or the Group's executives is detrimental to their interests.

4,2.Operating risks

Commodity prices

Deviations from expected price levels and a strategy of buying and accumulating inventories of raw materials may expose the organization to excessive production costs and to losses on inventories.

The Group conducts an in-depth analysis of prices at the beginning of the year and tries to obtain a closed price for the year from its suppliers. The products' cost prices are set on this basis. These are monitored monthly in case any modifications are necessary.

Health and safety

Failure to provide a safe workplace for its employees would expose the Group to sizable expenses, loss of reputation and other costs.

Workplace health and safety is monitored exhaustively in pursuit of continuous improvement.

Exposure of laboratory personnel to new natural or synthetic compounds whose possible adverse effects are unknown creates a theoretical health and safety risk in addition to the standard risk of handling chemicals.

The Group has implemented a workplace health and safety system which is audited regularly to ensure compliance.

The Group has arranged accident and third-party liability insurance.

Pharma Mar, S.A., which employs 78.6% of the Group's total workforce, has a health and safety management system certified to the ISO 45001 standard for occupational health and safety management systems, audited by Lloyds Register Quality Assurance. This certification integrates employee health into the internal management system by seeking to ensure a healthy life and promote wellness in employees of all ages.

Environmental

Environmental risks can generate potentially significant liabilities for companies. The greatest risk lies in third-party claims for harm to persons, property or the environment as a result of pollution.

The Group's production processes generally have a low risk of environmental impact (noise, smoke, discharges, etc.) and generate almost no waste.

Waste management is outsourced to recycling and waste management companies that are authorized by the pertinent environmental administration. Regular compliance checks are conducted and, where necessary, atmospheric emissions are monitored, water purification systems are installed and the Group has designated points for depositing separated waste.

Pharma Mar, S.A. is certified to the ISO 14001 standard, a management tool for the systematic oversight of the degree of interaction between the companies' activities and processes and the environment, the goal being to enhance environmental performance and minimize the impact. The environmental management system is audited annually by independent firms.

Product development

The Group allocates a considerable volume of resources to researching and developing new pharmaceutical products. As a result of the length of this process, the technological challenges involved, the regulatory requirements and the intense competition, it is not possible to be sure that all compounds currently under development and those to be developed in the future will reach the market and attain commercial success.

To maximize the effective and efficient use of our resources, the Group has implemented a horizontal working structure across the various departments, project-specific teams and reporting systems to monitor R&D projects internally.

4,3.Information risk
Malfunction of the Group's internal information flows poses the risk of misalignment with strategy and of erroneous or mistimed decisions.

Market disclosures

The Group is obliged to disclose certain financial information and make other regulatory disclosures that must be truthful, complete and timely. Failure to comply carries the risk of punishment and of a loss of credibility. The group has a system of internal control over financial reporting (ICFR) and over non-financial reporting (ICNFR) to provide reasonable assurance regarding the reliability of financial and non-financial information reported to the markets.

Breach of transparency and market integrity rules is classified as a serious or very serious violation of current law, incurring punishment under the consolidated text of the Securities Market Law, with the possibility of reputational damage to the Company and/or loss of credibility among investors.

PharmaMar's management and Board of Directors and certain of the company's executives and employees have access to privileged information about the Group's performance.

There are control systems in place in order to be aware of who is in possession of such information at any given time, mainly in order to comply with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and with Spain's Securities Market Act, in the area of inside information.

The Market Abuse Regulation includes a tool enabling the regulator to investigate potential market abuses relating to inside information (the "insider list"), which the Company must compile and maintain up to date, including all persons with access to inside information. The Rules of Conduct Steering Committee, made up of five members appointed by the Board of Directors, is tasked with ensuring proper application of the Internal Rules of Conduct in matters related to the securities market.

Information systems

If the company's information systems malfunctioned or were not sufficiently robust, this might adversely affect the continuity of the organization's critical processes and operations.

If the computer security and access control systems failed to work properly, this might lead to unauthorized discovery, unauthorized access to data or the untimely delivery of same, and improper use of confidential information.

The PharmaMar Group is aware of the importance of computer systems to support the main business processes; for that reason, it continuously invests to maintain the infrastructure and information systems, and to keep its physical and legal security policies aligned with technological progress.

The PharmaMar Group has a strategic plan for Information Systems whose main objective is to align the information technology strategies with the company's strategic objectives, guarantee compliance with the strict regulatory framework, and ensure efficacy, security and robustness of the information systems that support the company's business processes.

The strategic plan for Information Systems addresses key issues for attaining those goals, including:

- Organization, roles and responsibilities within the IT unit
- Corporate computing architecture and infrastructure.
- Catalog of corporate services provided by the Information Systems unit
- Quality assurance and compliance commitments.
- General policies and procedures of the IT unit.
- Information security policies, procedures and infrastructure.

Where third-party technology infrastructures or IT solutions are used, the Group has service level agreements to minimize the impact on its operations of any degradation in those services.

During 2024, the Group designed a roadmap for adapting its systems, processes and policies to the new European NIS 2 cybersecurity standard; it will work on implementation in 2025.

4,4.Financial risk

4,4.A).Market risk

Price risk

The Group is exposed to price risk on available-for-sale equity instruments and on shares in exchange-traded funds at fair value through profit or loss.

Investments in available-for-sale equity instruments (which are securities of foreign biopharmaceutical companies) and units in exchange traded funds are not material in the context of the Group's operations. The Group's policy with regard to financial assets is to place cash in low-risk highly-liquid financial assets in order to ensure the availability of funds. For this reason, those financial assets are mainly deposits remunerated at fixed interest rates at banks with good credit quality, government bonds and investments in corporate fixed-income securities, with the result that their value does not fluctuate significantly.

Interest rate risk on cash flows and fair values

The Group's interest rate risk arises from remunerated financial assets that can be converted into cash. The remunerated financial assets consist mainly of deposits remunerated at fixed interest rates.

Floating-rate debt securities expose the Company to interest rate risk on the cash flow. Fixed-rate debt securities expose the Company to interest rate risk on the fair value.

Based on a number of scenarios, the Company occasionally manages the interest rate risk of its cash flow by means of floating-to-fixed interest rate swaps when it considers this to be appropriate. The economic impact of these swaps is to convert floating-rate debt into fixed-rate debt. Under interest rate swaps, the Company undertakes to exchange, at regular intervals, the difference between the fixed and floating interest rates on the notional principals that are contracted.

Exchange rate risk

Exchange rate risks arise from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. The Company is exposed to exchange rate risk on transactions in foreign currencies, particularly the US dollar.

Management does not consider it necessary to establish any policy for hedging the foreign currency risk vs. the functional currency.

4,4.B).Credit risk

Credit risk arises from financial assets arranged with banks, mainly deposits.

The banks and financial institutions with which the Company works generally have independent ratings.

Where the Company acquires other financial assets, it must apply the following policies:

• Acquisition of fixed-income funds that invest in public- or private-sector debt (government bonds, treasury bills and commercial paper), generally secure, which pay periodic coupons.

• Acquisition of money market funds comprising short-term fixed-income securities (18 months maximum) where security is prioritized in exchange for a slightly lower yield than other investments.

4,4.C).Liquidity risk

The risk of not obtaining funds to honor debt obligations when they come due.

Prudent liquidity risk management entails having sufficient cash and marketable securities, financing via sufficient committed credit facilities, and the capacity to settle market positions.The goal of the Group's financial department is to maintain flexibility in funding by having credit lines and sufficient funds in financial assets to cover obligations (Note 3).

4.5 Tax risks

Tax risk is inherent to the Company's activity and is influenced by the unique features of our tax regime, its complexity and the existence of gray areas that might lead to non-compliance or discrepancies with the tax administration in the application of the regulations.The Group must comply with a number of tax obligations, both material (i.e. payments) and formal, consisting of filing returns without necessarily having to make any payments.The Group tries to identify risks and then minimize them.

The Group does not use structures outside its own activities for the purpose of reducing its tax burden, nor does it carry out transactions with related undertakings whose sole purpose is to reduce taxable income or transfer profits to low-tax territories.

The Group does not have opaque structures for tax purposes nor does it constitute or acquire companies in countries or territories that Spanish regulations designate as tax havens or that are on the European Union's list of non-cooperative jurisdictions.

The Group has not been found guilty of tax evasion.

The PharmaMar Group Code of Ethics and Code of Conduct expressly prohibit any practice involving the illegal evasion of taxes or other levies to the detriment of the public exchequer or that of the Social Security system or any other local or regional government body; accordingly, such practices must be avoided at all times.

The Group's Crime Prevention Organization and Management Model contains an exhaustive list of risk actions that are counter to the guidelines of conduct and a catalog of prohibited conduct, which refer to crimes against the Exchequer and Social Security and also to money laundering.

The Group has external advisors who help it to constantly analyze new legislation, case law and decisions in the tax area and quantify their impact.

In specific issues such as transfer pricing, it has an external consultant to ensure it has the proper documentation.In one specific case of transfer pricing, a formal valuation agreement was reached with the Administration beforehand.

5.- Subsequent events.

Between year-end and the authorization of these financial statements, no significant events occurred that affect the content of these financial statements and there were no other events requiring disclosure.

6.- 2025 outlook

Zepzelca is solidly positioned in the United States as the standard of care for second-line treatment of small cell lung cancer. In addition, the drug has been approved in 17 other countries in the rest of the world. The latest country to approve it was China in 2024.

Since its U.S. launch in 2020, Zepzelca (lurbinectedin) has steadily gained market share as a second-line treatment, and the number of patients treated with the drug continued to increase throughout 2024.A leap in the use of Zepzelca for small-cell lung cancer is expected to come with its approval for first-line maintenance treatment in both the United States and Europe. This approval is expected to transform the current treatment paradigm for this disease.

The approval of Zepzelca for second-line treatment of small-cell lung cancer not only marked a milestone for patients suffering from this condition but also boosted PharmaMar's revenues through royalties on sales, milestone payments, raw material sales to partners, and revenue from compassionate use programs in countries where the treatment is not yet approved. With the anticipated approval for first-line maintenance treatment, the revenue generated by Zepzelca is expected to grow significantly in the coming years to exceed the figures observed so far.

As to ongoing clinical trials with lurbinectedin, PharmaMar's U.S. partner, Jazz Pharmaceuticals, in collaboration with Roche, announced in the last quarter of 2024 that the IMforte Phase III trial evaluating lurbinectedin in combination with atezolizumab for the first-line maintenance treatment of small cell lung cancer achieved positive results for its two primary end-points: progression-free survival (PFS) and overall survival (OS).These statistically significant and clinically meaningful results will be presented at a major clinical oncology congress in 2025.

This not only paves the way for potential approval in European and U.S. markets for first-line maintenance but also represents a paradigm shift in the treatment of small cell lung cancer. With these positive results, the company plans to submit a dossier to the EMA in 2025 seeking approval to market lurbinectedin as first-line maintenance treatment in the EU, while its partner Jazz Pharmaceuticals intends to do the same with the FDA in the US.

Regarding the LAGOON Phase III trial evaluating lurbinectedin as second-line treatment of small-cell lung cancer, patient recruitment was completed in the last quarter of 2024, and results are expected in the first half of 2026.The purpose of this trial is to obtain approval for lurbinectedin as second-line treatment in Europe while serving as a confirmatory trial for the accelerated approval as second-line treatment granted in the United States in 2020.

A trial involving lurbinectedin is currently underway for a different indication. Initiated in 2023, the SaLuDo Phase IIb/III trial is evaluating lurbinectedin in combination with doxorubicin for the first-line treatment of leiomyosarcoma. The trial is expected to progress to Phase III in 2025, with results scheduled for release in 2026.

We are also making progress with other molecules in earlier stages of development, including PM14, PM534, and PM54.PM14 is currently undergoing several Phase II trials, while PM534 and PM54, which have shown highly promising results in Phase I, have development plans in place and are likely to commence Phase Ib/II trials in 2025.

In 2025, we expect to attain significant milestones, including two registration dossiers for lurbinectedin in small-cell lung cancer, a potential new approval for lurbinectedin in the United States, and substantial progress in our oncology pipeline.

During 2025, we will continue working to sign new lurbinectedin out-licensing agreements in countries such as Japan, where the opportunity for a new license still exists. We will also continue our efforts to in-license an oncology product that is in the commercial or regulatory phase, which would enable us to distribute it through our commercial network in Europe and contribute to revenue.

7.- R&D and Innovation

Research and development is vital to the Group's strategy. R&D spending amounted to €103.5 million in 2024 (€99.3 million in 2023).

Of that total, €94.3 million was spent in oncology segment, including €4.9 million to develop Aplidin as an anti-viral, and €9.1 million in RNAi in ophthalmology.

The Group's main progress and results in R&D in 2024 by area of activity are as follows:

7.1.- ONCOLOGY:PHARMA MAR, S.A.

The activities and progress for each of the compounds in 2024 are detailed below:

A) Lurbinectedin (ZEPZELCA)

Small cell lung cancer

Positive preliminary results have been announced from the IMforte Phase III trial evaluating Zepzelca® in combination with atezolizumab, a PD-L1 inhibitor, versus atezolizumab alone, as first-line maintenance treatment for adults with advanced small cell lung cancer following induction therapy with carboplatin, etoposide and atezolizumab. The combination demonstrated a statistically significant improvement in the primary endpoints of overall survival (OS) and progression-free survival (PFS), compared with

atezolizumab monotherapy, as assessed by the independent review facility (IRF).These results demonstrate the potential of this combination to delay disease progression and prolong patient survival.

In view of these results, our partner Jazz Pharmaceuticals plans to submit a New Drug Application (NDA) to the US Food and Drug Administration (FDA) in the first half of 2025. PharmaMar plans to file a marketing authorization application (MAA) with the European Medicines Agency (EMA) in the first half of 2025.

The LAGOON confirmatory Phase III trial as second-line treatment for relapsed small cell lung cancer that had been agreed upon with the FDA completed patient enrolment as planned. 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, 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 registration trial for territories outside the USA.

Leiomyosarcoma

Recruitment for the SaLuDo Phase IIb/III trial with lurbinectedin in combination with doxorubicin vs. doxorubicin in patients with metastatic leiomyosarcoma is advancing ahead of schedule. The trial is being conducted in Europe and the United States; its primary endpoint is to assess progression free survival (PFS), while its secondary endpoint is overall survival (OS).

Other combination trials

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

The results in the small cell lung cancer cohort with a chemotherapy-free interval of more than 30 days were presented at the ASCO (American Society of Clinical Oncology) international meeting, which was held in Chicago from 30 May to 3 June this year. Median overall survival of this subgroup was 12.7 months. This subgroup of patients is the same type of population as is being enrolled in one of the arms of the LAGOON trial.

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

B) Ecubectedin (PM14)

The first Phase I/II trial with ecubectedin attained the optimal dose in patients with advanced solid tumors. An expansion Phase II basket trial with a number of tumor types completed enrolment.

Combination trials with ecubectedin

The first Phase I/II trial of this compound in combination with irinotecan identified the recommended dose in patients with advanced solid tumors. Enrolment in the Phase II expansion has now concluded and the patients are being monitored. Data from the dose escalation and expansion cohort of non-small cell lung cancer patients were presented at the ESMO meeting in Barcelona in September.

Additionally, the Phase Ib trial with ecubectedin in combination with atezolizumab identified the recommended dose in patients with advanced solid tumors. The Phase II expansion trial is currently enrolling.

C) PM54

Enrolment for the Phase I clinical trial for the treatment of patients with different types of solid tumors is continuing. The trial is being conducted in Europe and the United States with the goal of determining the recommended dose.

D) PM534

Enrolment continues on schedule in the Phase I clinical trial for the treatment of patients with different types of solid tumors. The endpoints of this first trial are to find the recommended dose and assess the safety and efficacy profile. The trial is being conducted in Spain in patients with advanced solid tumors.

7.2.- RNA Interference, OPHTHALMOLOGY: Sylentis, S.A.

The company continues using Sylentis's proprietary SirFINDER 3.0 software to find new RNAi-based candidates for topical treatment of rare retinal diseases. During 2024, enrolment continued for the clinical trial with the compound SYL1801 for the treatment and/or prevention of choroid neovascularization, a common cause of retinal pathologies such as age-related macular degeneration (AMD) and diabetic retinopathy. The Phase II trial was conducted in four European countries. This is a multicenter, randomized, double-masked trial to measure the safety and tolerability and the effect of different doses of SYL1801 in previously untreated patients with AMD. Sylentis continues to assess efficacy using preclinical models of a number of retinal pathologies under the Oligofastx consortium.

During 2024, Sylentis started work on the Syoligo project within the framework of Med4Cure, an IPCEI (Important Projects of Common European Interest) program. These funds come from Spain's share of the NextGeneration EU funds for the Ministry of Science, Innovation and Universities through the CDTI. The Syoligo project is the first industrial deployment in Spain for the sustainable manufacture of RNA-based drugs and the development of RNA interference drugs targeting rare retinal diseases.

8.- Acquisition and disposal of own shares

As of 31 December 2024, the Company's capital amounted to €10,933 thousand and was represented by 18,222,228 bearer shares with a par value of €0.60 per share. All the shares were fully subscribed and paid and have the same political and economic rights.

As of 31 December 2024, the Company held 647,297 shares (715,187 shares in 2023), representing 3.55% of share capital (3.90% in 2023).

The breakdown of, and changes in, own shares in 2024 are as follows:

	No. of shares	Amount (euro)
Balance as of 31/12/23	**715,187**	**(31,091,149)**
Liquidity contract:		
Own shares purchased	179,670	(10,192,949)
Own shares sold	(308,024)	13,170,363
Buyback programs:		
July 2023 buyback program	69,178	(2,792,122)
May 2024 buyback program	132,679	(4,999,921)
December 2024 buyback program	8,200	(645,442)
Share ownership plan:		
Delivery	(18,510)	783,806
Reversal	1,596	(59,581)
Share redemptions:		
May 2024 buyback program	(132,679)	4,999,921
Balance as of 31/12/24	**647,297**	**(30,827,074)**

A share buyback program, launched in July 2023 in order to provide the Company with the capacity to trade in its own shares in order to undertake corporate transactions, was completed on 31 January 2024.A total

of 419,400 shares were acquired for €14,999,203 under this program. Of that total, 69,178 shares were acquired from 1 to 31 January 2024 for €2,791,122.

In the following months, the company had a liquidity contract in place with an external firm to manage purchases and sales of own shares on an independent basis. Within the framework of this agreement, during the period when the liquidity contract was operational, 179,670 own shares were acquired (436,918 shares in 2023) for €10,192,949 (€21,873,733) and 308,024 shares were sold (303,869 shares in 2023) for €13,170,363 (€17,966,129 in 2023).

In May 2024, the Company launched a new share buyback program to redeem the shares so acquired by reducing the Company's capital. The maximum amount of the program was set at €5 million and/or a maximum of 184,000 shares, whichever was reached first. This program ended on 30 September, having reach the maximum amount of €4,999,921 (132,679 shares).

Once that program was completed, the liquidity contract mentioned above, which had been suspended for the duration of the program, became operational again until 23 December 2024, when a new buyback plan was launched, which will remain in force until 30 June 2025 and may end earlier if the caps on the number of shares and/or maximum amount are reached. The purpose of this program is to comply with the obligations arising from the share ownership plans for Group executives and employees. As of 31 December 2024, a total of 8,200 shares had been purchased under this program, for €645,442.

9.- Share information

General situation

Meanwhile, 2024 saw a remarkable recovery in global stock markets. Despite a challenging economic and geopolitical environment, the major stock indexes ended the year with gains, as lower inflation enabled central banks to adopt more expansionary monetary policies. This contributed to global economic growth of approximately 2.89%.However, volatility remained high throughout the year, fueled by ongoing geopolitical stresses, supply chain adjustments, and political uncertainty surrounding the U.S. presidential election.

One of the primary factors supporting market performance in 2024 was the moderation of inflation. Inflation averaged around 3.5% in advanced economies and 5% in emerging markets, allowing central banks in several major geographies to implement less restrictive policies and lower interest rates. This monetary easing proved to be a key driver for equity markets, with notable gains in sectors like technology, healthcare, and consumer goods.

The U.S. economy performed well, with GDP growth of 2.1% fueled by strong consumer spending and inflation easing to 3.5%.After a period of rate hikes, the Federal Reserve cut interest rates by up to 100 basis points in the second half of the year, ending with a benchmark rate of 4.25%.These cuts boosted equity markets and lowered the price of finance for businesses and households.

In Europe, economic growth reached 1.7%, while inflation eased to around 3%.This environment enabled the European Central Bank to lower interest rates to 3.75% by year-end, following a prolonged period of increases. The monetary easing supported financial markets and relaxed financing conditions for business.

U.S. stock markets registered very strong performance 2024, shaped by the November presidential election to a great extent. Economic stability and strong performance in key sectors drove solid gains in the major indexes. The S&P 500 (a weighted index of the 500 largest listed companies) rose by 23.3%, while the Nasdaq Composite outpaced with a 28.6% surge. As to biotech, the Nasdaq Biotech Index declined by 1.37% while the S&P Biotech Index edged up by 0.9%.

European stock markets made only modest gains compared to their U.S. counterparts, as the regional benchmark, Euro Stoxx 50, ended the year up 8.3%, reflecting the Eurozone’s continuing economic recovery. The German DAX rose by 18.9%, while the French CAC 40 ended the year in negative territory, down 2.1%.In contrast, Spain’s IBEX 35 gained 14.8%, bolstered by strong performances in the banking and tourism sectors.

2024 STOCK MARKET INDICATORS	
Total number of shares	18,222,228
Par value (euro)	0.60
Average daily trading (no. of shares)	52,376
Average daily trading (euro)	2,643,589
Trading days	256
Year trading low (2 July) (euro)	319,964
Year trading high (16 October)	29,859,360
Total trading in the year (million euro)	676
Lowest share price (19 April) (euro)	26.24
Highest share price (3 September) (euro)	81.65
Share price at 31 December (euro)	79.80
Average share price in the year (euro)	44.75
Market capitalization at 31 December (million euro)	1,454

PharmaMar's share performance

PharmaMar saw significant growth and consolidation in 2024, reflecting strong investor confidence in its strategy and the potential of its pipeline.Its share price showed a remarkable recovery, fueled by revenue growth, clinical breakthroughs and, particularly, the positive results of a Phase III trial with lurbinectedin.

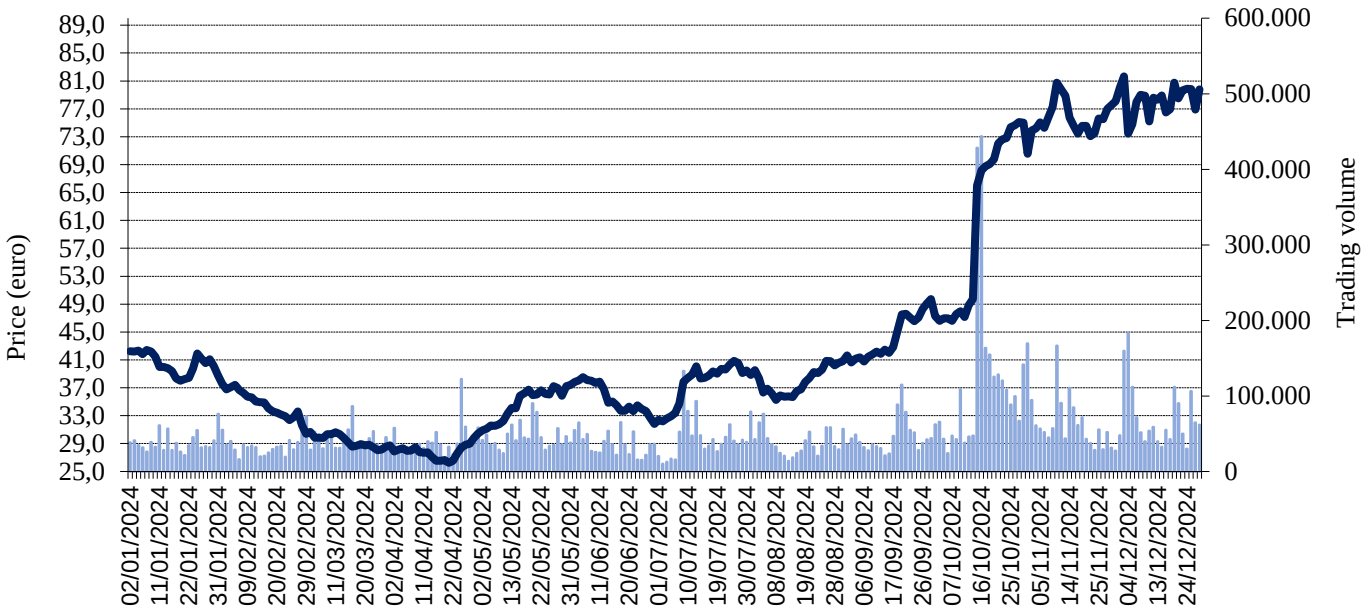
By mid-October, the share price had stabilized at an average of around €36.The key milestone of 2024 came on 15 October, when Pharma Mar announced positive Phase III results for the IMforte trial, evaluating lurbinectedin combined with atezolizumab as a first-line maintenance therapy for small cell lung cancer.The news sparked a dramatic surge in the stock price, which climbed 33%, from €49.74 to €66, in a single trading session.

In 2024, the company maintained a strong focus on advancing its clinical trials.For lurbinectedin, alongside the promising IMforte trial results, recruitment for the LAGOON trial was successfully completed; this is a key step toward strengthening lurbinectedin's market position.In addition, we secured new approvals in several countries, notably including marketing authorization in China through our partner, Luye. Meanwhile, first-line trial for leiomyosarcoma is progressing well, with recruitment expected to be completed by the end of 2025.

Across the rest of its pipeline, Pharma Mar continued to advance its portfolio of molecules. Ecubectedin is currently undergoing recruitment in two Phase II trials, while PM534 and PM45 remain in the early stages of development, with Phase I proof-of-concept studies underway.

Pharma Mar delivered an exceptional stock market performance in 2024, significantly outperforming benchmark indices. The share appreciated by 94.25% over the year, closing with a market capitalization of €1,454 million. This performance underscores robust market confidence in the company and its long-term potential.

With a combination of clinical innovation, strong positioning of lurbinectedin in the market, and solid financial foundations, PharmaMar is in an excellent position to continue creating value in the years ahead.



10.- Consolidated Non-Financial Information Statement and Sustainability Report

The consolidated non-financial disclosures and sustainability report are presented below as Annex II.

The Annual Corporate Governance Report, which is an integral part of this Directors' Report, may be viewed at www.cnmv.es.

The Annual Report on Director Remuneration, which is an integral part of this Directors' Report, may be viewed at www.cnmv.es.

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.

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

Annex II

ANNEX II

CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024 OF THE PHARMA MAR GROUP

NOTE: in the event of discrepancy, Spanish version prevails

Pharma Mar, S.A. and Subsidiaries

Limited Assurance Report Issued by an Assurance Provider on the Consolidated Non-Financial Information Statement (NFIS) and Sustainability Reporting

31 December 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Limited Assurance Report Issued by an Assurance Provider on the Consolidated Non-Financial Information Statement and Sustainability Reporting of Pharma Mar, S.A. and subsidiaries for 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Pharma Mar, S.A.

Limited Assurance Conclusion

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of Pharma Mar, S.A. (hereinafter the Entity) and its subsidiaries (hereinafter the Group) for the year ended 31 December 2024, which forms part of the consolidated Directors' Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, specifically including the sustainability reporting prepared by the Group for the year ended 31 December 2024 (hereinafter the sustainability reporting) in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (CSRD). This sustainability reporting has also been subject to limited assurance review.

Based on the procedures conducted and the evidence we have obtained, no issues have come to our attention that would lead us to believe that:

a) the Group's Non-Financial Information Statement for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the selected European Sustainability Reporting Standards (ESRS) or other criteria described in accordance with each subject matter in the "ANNEX III: requirements of law 11/2018 regarding non-financial information and diversity" table of the aforementioned statement;

b) the sustainability reporting as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying "Basis for preparation" note, including:

- That the description provided of the process to identify the sustainability reporting included in the "Impact, risk and opportunity management" note is consistent with the process in place and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Compliance with the ESRS.
- Compliance of the disclosure requirements, included in the "European Taxonomy" subsection of the environmental section of the sustainability reporting, with article 8

Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Basis for Conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 issued by the Spanish Institute of Registered Auditors on assurance engagements on non-financial information and considering the content of the note published by the ICAC on 18 December 2024 (hereinafter generally accepted professional standards).

The procedures applied in a limited assurance engagement are less extensive compared to those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those standards are described in more detail in the *Responsibilities of the assurance provider* section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1), which requires a quality management system to be designed, implemented and operated that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Matters

On 28 February 2024 a different assurance provider issued a favourable independent assurance report on the Consolidated Non-Financial Information Statement of Pharma Mar S.A. and subsidiaries for 2023.

Directors' Responsibilities

The preparation of the NFIS included in the Consolidated Directors' Report of the Group, and the content thereof, is the responsibility of the Directors of Pharma Mar S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and the selected ESRS and other criteria described in accordance with each subject matter in the "ANNEX III: requirements of law 11/2018 regarding non-financial information and diversity" table of the aforementioned statement.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of Pharma Mar, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

In relation to sustainability reporting, the entity's Directors are responsible for developing and implementing a process to identify the information to be included in sustainability reporting in accordance with the CSRD, the ESRS and article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the sustainability disclosures themselves in the "Impact, risk and opportunity management" note. This responsibility includes:

- understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment;
- identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term;
- evaluating the materiality of the impacts, risks and opportunities identified;
- making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of sustainability reporting, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance with the CSRD, compliance with the ESRS and compliance with the disclosure requirements included in the "European Taxonomy" subsection of the environmental section of the sustainability reporting with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors determine is relevant to enable the preparation of sustainability reporting that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

Inherent Limitations in the Preparation of the Information

In accordance with the ESRS, the entity's Directors are required to prepare prospective information based on assumptions, which are to be included in the sustainability reporting, about events that

may occur in the future, as well as possible future actions, if any, that the Group may take. The actual outcome may differ significantly from the estimate, as it refers to the future and future events often do not occur as expected.

In determining sustainability disclosures, an entity's management interprets legal and other terms that are not clearly defined and may be interpreted differently by other people, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

Responsibilities of the Assurance Provider

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and sustainability reporting are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report containing our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we apply our professional judgement and maintain an attitude of professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and sustainability reporting is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures in which it is most likely that material misstatements arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and sustainability reporting in which material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Carried Out

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and extent of the procedures selected depend on professional judgement, including an identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and sustainability reporting.

Our work has consisted of making inquiries of management, as well as of the different units and components of the Group that have participated in the preparation of the NFIS and sustainability reporting, reviewing the processes for compiling and validating the information presented in the

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

NFIS and sustainability reporting and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance review process:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the "Impact, risk and opportunity management" note, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.

In relation to the assurance on sustainability reporting process:

- Making inquiries of Group personnel:
  - to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
  - to understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents); and the review of the Group's internal documentation on its process.
- Gaining, through inquiries with Group personnel, an understanding of the entity's processes for collecting, validating and presenting information relevant to the preparation of its sustainability reporting.
- Assessing the consistency of the evidence obtained from our procedures on the Group-implemented process to determine the information to be included in sustainability reporting with the description of the process included in such disclosures, and assessing whether the Group-implemented process identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessing whether all the information identified in the Group-implemented process to determine the information to be included in sustainability reporting is effectively included.
- Assessing the consistency of the structure and presentation of sustainability reporting with the provisions of the ESRS and the rest of the sustainability reporting framework applied by the Group.

- Conducting inquiries of relevant personnel and analytical procedures on information disclosed in the sustainability reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.
- Performing, where appropriate, substantive sampling procedures on the information disclosed in the selected sustainability reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.
- Procuring, where applicable, the reports issued by accredited independent third parties accompanying the consolidated Directors' Report in compliance with EU regulations and, in relation to the information to which they refer and in accordance with generally accepted professional standards, confirming, exclusively, the accreditation of the assurance provider and that the scope of the report issued complies with EU regulations.
- Procuring, where appropriate, the documents containing the information included by reference, the reports issued by auditors or assurance providers of such documents and, in accordance with generally accepted professional standards, confirming, exclusively, that, as regards the document to which the information included by reference, the conditions described in the ESRS for including information by reference in the sustainability reporting are met.
- Procuring a representation letter from the Directors and management regarding the NFIS and sustainability reporting.

Other Information

Entity management is responsible for the other information. The other information comprises the consolidated annual accounts and other information included in the consolidated Directors' Report, but does not include either the auditor's report on the consolidated annual accounts or the assurance reports issued by accredited independent third parties required by EU law on specific disclosures contained in the sustainability reporting and accompanying the consolidated Directors' Report.

Our assurance report does not cover the other information and we do not express any assurance conclusions about it.

In connection with our assurance engagement on the sustainability reporting, our responsibility consists of reading the other information identified above and, in doing so, consider whether there is a material inconsistency between the other information and the sustainability reporting or the knowledge we have obtained during the assurance engagement that could be indicative of material misstatements in the sustainability reporting.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernandez

27 February 2025

This report corresponds to stamp number 01/25/00553 issued by the Spanish Institute of Registered Auditors (ICJCE).

Contents

ESRS 2

Basis for preparation

This Consolidated Non-Financial Information Statement and Sustainability Information (hereinafter also referred to as “NFIS”, "Report" or "Statement") has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) developed in the Delegated Regulation (EU) 2023/2772 of the European Commission, including additionally those matters of Law 11/2018, on non-financial information and diversity, not covered by the ESRS, as well as with Law 22/2015 of July 20, 2015, on Auditing of Accounts in relation to non-financial information and diversity.

The scope of the information reported corresponds to the parent company, Pharma Mar S.A. (hereinafter, "Pharma Mar" or "Group") and those companies over which the company has direct or indirect operational control, in line with the financial perimeter. All of them are fully consolidated. The scope of consolidation is as follows:

Name	Registered Office	Participation		
		Direct	Indirect	Total
Pharma Mar USA INC	195 Montague St. 12th floor Suite 1211 Brooklyn, N.Y. 11201, United States	100.00%	-	100.00%
Pharma Mar AG	Aeschengraben 29, CH 4051 Basel, Switzerland	100.00%	-	100.00%
Pharma Mar Sarl	6 Rue de l'Est - 92 100 Boulogne Billancourt, Paris, France	100.00%	-	100.00%
Pharma Mar	Uhlandstraße 14 - 10623 Berlin, Germany	100.00%	-	100.00%
Pharma Mar Srl	Via Lombardia 2/A C/O Innov. Campus-Building B, 20068 Peschiera Borromeo Milan, Italy	100.00%	-	100.00%
Pharma Mar, Srl	Rue de la Presse, 4, 1000 Brussels, Belgium	100.00%	-	100.00%
Pharma Mar Ges.m.b.H	Teinfaltstraße 9/7, 1010 Vienna, Austria	100.00%	-	100.00%
Sylentis, S.A.U.	Pza. del Descubridor Diego de Ordás, 3 Madrid, Spain	100.00%	-	100.00%

NOTE: the subsidiary Genómica A.B., wholly owned by Genomica, S.A.U. was liquidated before the end of the year. The Board of Directors agreed to cease its activity on September 29, 2022.

The content of this NFIS was determined in accordance with section 3.3 of ESRS 1 on materiality (also referred to throughout the Report as "double materiality"), which includes an analysis of the impacts, risks and opportunities (IROs) upstream and downstream in Pharma Mar's value chain. The double materiality analysis is explained in detail in the "management of impacts, risks and opportunities" section of this ESRS 2, while the value chain and the explanation of its different phases are discussed in the "strategy" section of this ESRS 2.

The information included in this Report follows the principles of relevance, faithful representation, comparability, verifiability, and comprehensibility.

The relevance of the information has been determined based on the double materiality approach, explained in detail in later sections. This ensures that it includes only content relevant to its stakeholders.

It is intended to convey a faithful representation of the impacts, risks and opportunities that the company faces in the development of its business, transmitting it in a neutral, accurate and clear manner.

The information is also comparable. The company provides general information on its performance for a period covering the last three fiscal years, ensuring that the information included is traceable and accurate. Where estimates are made, the assumptions done are detailed.

This Consolidated Non-Financial Information Statement and Sustainability Information has been verified by an external third party in accordance with the Technical Standard for Limited Verification of Sustainability Information of the Spanish Institute of Accounting and Auditing, and following the Action Guide 56 of the Spanish Institute of Chartered Accountants: "Action Guide on the verification of the Non-Financial Information and Sustainability Information for the year ended December 31, 2024 in the event that the CSRD is not transposed before that date".

In accordance with the provisions of ESRS 1 regarding the use of phase-in provisions, Pharma Mar does not disclose sustainability issues related to ESRS S2 (workers in the value chain) and ESRS S3 (affected communities), given that the conditions for their use have been met.

Finally, the Report complies with the provisions of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), following mentioned guide in those cases in which the aspects required by Law 11/2018 are not covered by the ESRS.

Governance

GOV-1: The role of the administrative, management and supervisory bodies

At Pharma Mar, sustainability is considered a key factor for long-term success in economic, ethical, environmental and social terms. Therefore, the Board of Directors and its Committees work to ensure that sustainability is an essential part of its business model, meeting the expectations of investors, regulators, employees and society in general.

This approach ensures that the company not only complies with its legal and regulatory sustainability obligations, but also achieves sustainable growth that respects the environment and people.

The Board of Directors and its Committees are responsible for integrating sustainability into the company's strategy and management. In turn, the different departments of the company are responsible for carrying out the different actions in the areas within their scope of responsibility.

The specific functions of Pharma Mar's governing bodies in relation to sustainability are as follows:

Board of Directors

The Board of Directors is Pharma Mar's highest governing and administrative body, except for matters reserved for the Shareholders' Meeting. Its functions in relation to sustainability include:

- Definition of the Sustainability Strategy: the Board is responsible for setting the strategic policies that guide the company, including the integration of environmental, social and governance criteria. This involves establishing the principles for responsible management that generates long-term value.
- Determine the risk control and management policy, including non-financial and sustainability risks.
- Approval of reports and results: the Board is responsible for approving the company's Consolidated Non-Financial Information Statement and Sustainability Information. In addition, it must ensure that the company complies with local and international sustainability regulations and that the reports prepared in this regard are transparent and complete.

The Board of Directors has delegated certain key sustainability-related functions to its Committees to ensure a more specialized management. The Committees with responsibilities in sustainability are the Audit Committee and the Appointments and Compensation and Sustainability Committee. Their functions are as follows:

Audit Committee

The functions of the Audit Committee in relation to sustainability are regulated by Article 5 of the Audit Committee Regulations. Among others, the following competencies are highlighted:

- Supervise the preparation process and the integrity of the financial and non-financial information related to the company, including information on sustainability, and, if applicable, to the group to which the company belongs, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

The Audit Committee also has among its functions the supervision of the effectiveness of non-financial risk control systems, including sustainability.

Appointments and Compensation and Sustainability Committee

The functions of this Committee in relation to sustainability are set out in article 5.2 of the Regulations of Pharma Mar's Appointments and Compensation and Sustainability Committee. They are as follows:

a) Evaluate and periodically review the corporate governance system and the Sustainability Policy, so that they fulfill their mission of promoting the social interest and consider, as appropriate, the legitimate interests of other stakeholders.
b) Propose to the Board of Directors for its approval the company's strategy and policy on sustainability.
c) To ensure that Pharma Mar's performance in sustainability (environmental, social and corporate governance) is in line with the strategy and policies approved by the Board of Directors and, if appropriate, propose recommendations to improve the company's position in this area, submitting the corresponding report or proposal to the Board of Directors.

d) Oversee compliance with Pharma Mar's corporate governance rules and internal codes of conduct and ensure that the corporate culture is aligned with its purpose and values.
e) Supervise the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Likewise, the way in which the entity communicates and relates with small and medium-sized shareholders will be monitored.
f) Supervise and evaluate the relationship processes with the different stakeholders.
g) To identify sustainability risks and determine the level of aversion to them in the company, as well as to know and assess risk management and mitigation actions.
h) Analyze the actions and proposals on sustainability matters proposed or agreed by the different business units of the company.
i) Any others related to the foregoing matters that may be requested by the Board of Directors.

Pharma Mar's Board of Directors has 12 members, of whom 2 are executives and 10 are non-executives. In addition, 41.7% are independent members and 41.7% are women. The following table shows the composition of the Board of Directors according to the category of each Director, their membership and attendance at meetings of the Board and each of the Committees, their shareholding in the company, and other data related to their mandate as Board members, the date of their first appointment and expiration date, positions in other listed companies, and their gender.

		Mr. José María Fernández Sousa-Faro	Mr. Pedro Fernández Puentes	Ms. Montserrat Andrade Detrell	Mr. Carlos Solchaga Catalán	Ms. Blanca Hernández Rodríguez	Mr. Eduardo Serra Rexach	Ms. Sandra Ortega Mera	Mr. Mariano Esteban Rodríguez	Ms. María Rosa Sánchez-Yebra Alonso	Mr. Emiliano Calvo Aller	Mr. Fernando Martín-Delgado Santos	Ms. Soledad Cuenca Miranda
Position		Chairman	Vice Chairman	Member	Member	Member	Member	Member	Lead Director	Member	Member	Member	Member
Category	Executive	✓	✓										
	Proprietary			✓				✓					
	Independent					✓			✓	✓	✓		✓
	Other external				✓		✓					✓	
Board / Committees	Board of Directors	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)	(6/6)
	Executive Committee	C(4/4)	(4/4)	(4/4)								(3/4)	
	Audit Committee				(6/6)	(6/6)				C(6/6)			(6/6)
	Appointments and Compensation and Sustainability Committee			(6/6)		(6/6)	(6/6)				(6/6)		C(6/6)
Shareholding	Direct and indirect capital	11.356	5.038	5.242	0	0.015	0.062	5.091	0	0.004	0.023	0	0.001
Other information	Date of first appointment	30/04/86	30/04/86	30/06/15	30/06/15	26/06/19	15/04/21	29/06/22	29/06/22	29/06/22	29/06/22	21/12/22	31/05/23
	Deadline	29/06/26	29/06/26	31/05/27	31/05/27	31/05/27	15/04/25	29/06/26	29/06/26	29/06/26	29/06/26	31/05/27	31/05/27
	Positions in other listed companies	0	1	0	0	1	0	0	0	1	0	0	0
	Gender	M	M	F	M	F	M	F	M	F	M	M	F

C: reflects the chairmanship of the corresponding Committee.
*The figures in parentheses reflect the attendance of each member at meetings of the Board and its Committees.

All Board members are elected in accordance with the provisions of the Director Selection Policy. This policy determines the conditions that candidates for Board Members must meet, among which honorability, a proven professional track record and adequate knowledge to ensure the proper performance of their duties.

Pharma Mar's Board of Directors is made up of professionals with extensive experience and expertise in key sectors for the company, such as biotechnology, pharmaceutical research and business management, which ensures an appropriate, long-term strategic focus. In addition, the combination of profiles allows for an innovative vision and anticipation of sectoral changes. The professional and geographic experience of each of the members of the Board of Directors is detailed on Pharma Mar's website: www.pharmamar.com.

The company has resources for the training of Board members so that the Board is prepared to guide the organization in a competent manner and in line with long-term targets. The Regulations of the Audit Committee and the Appointments and Compensation and Sustainability Committee establish that the members of both committees have the resources to ensure that they update their knowledge on sustainability, among other matters.

In this regard, during 2024, the chairwomen of the Audit Committee and the chairwomen of the Appointments and Remuneration and Sustainability Committee received training courses to complement their knowledge in the field of sustainability.

GOV-2: Information provided to, and sustainability matters addressed by, the undertaking's administrative, management and supervisory bodies.

The Board of Directors and its Committees are briefed on sustainability issues as often as circumstances require. During 2024 the sustainability issues addressed, which were presented either by external advisors or by the sustainability director, were as follows:

- Creation of the sustainability department, regulatory context in sustainability matters and roadmap of sustainability activities to be carried out during the year.
- Presentation and approval of the Sustainability Plan 2024 - 2026 by the Board of Directors.
- Conclusions of the double materiality analysis, carried out to determine the contents of this Report.
- Presentation of the Climate Risks and Opportunities Report.
- Explanation of the contents and structure of the Human Rights and Biodiversity Policies, approved by the Board during the year.
- Explanation of the measures and targets of *the Net Zero* Plan, for the long-term decarbonization of the company.

GOV-3: Integration of sustainability-related performance in incentive schemes

One of the principles of Pharma Mar's Directors' Remuneration Policy is to link it to the company's business strategy, interests and long-term sustainability, with the aim of creating sustainable value over time, taking the necessary prudence to avoid excessive risk-taking and rewarding unfavorable results. On an annual basis, the Appointments and

Compensation and Sustainability Committee evaluates compliance with the targets set for the previous year.

According to the policy, only the Executive Chairman has an annual variable component in his remuneration, which can reach up to a maximum of 100% of the fixed component. This component of the remuneration is determined on the basis of qualitative targets (up to 60%) and quantitative targets (up to 40%).

The quantitative targets established for determining the annual variable remuneration of Pharma Mar's Executive Chairman in 2024 include an ESG objective linked to obtaining BREEAM (building research establishment environmental assessment method) certification for the RNA-based drug manufacturing plant (oligonucleotides), which is the company's largest investment in property, plant and equipment in 2024. The amount allocated for this component of the annual variable compensation amounts to 8% of the gross annual salary.

The Appointments and Compensation and Sustainability Committee, composed of Directors who do not perform executive functions, is responsible, in accordance with Article 14 of the Board of Directors and Article 5 of the Committee Regulations, for proposing to the Board of Directors the individual compensation and other contractual conditions of the company's Executive Directors, ensuring that they are complied with.

In addition, some members of management have among the targets of their variable remuneration, which is up to 35% of fixed remuneration, the achievement of certain indicators linked to the Sustainability Plan, which also includes elements related to climate change. These targets include the completion of the Climate Risks and Opportunities Report and the establishment of a Net Zero Plan for the decarbonization of the company in the medium and long term.

For more information on the remuneration of the Board of Directors, see the Annual Report on Directors' Remuneration, available on Pharma Mar's website: www.pharmamar.com.

GOV-4: Statement on due diligence

Pharma Mar recognizes the importance of sustainability due diligence as a fundamental practice for identifying, preventing and mitigating the negative impacts that its activities may have on the environment.

Pharma Mar's due diligence approach follows a structured process based on international standards, including the OECD (Organization for Economic Cooperation and Development) guidelines for multinational companies and the United Nations Guiding Principles on Business and Human Rights.

The company integrates this due diligence approach into its operations for everything related to people and the environment. The following table shows the sections of this report that address the essential elements of due diligence:

Essential elements of due diligence	Report sections
a) Integration of due diligence into the governance, strategy and business model	ESRS 2 GOV-1, ESRS 2 SBM-1
b) Collaboration with affected stakeholders at all key stages of due diligence.	ESRS 2 IRO-1
c) Identification and evaluation of adverse events	ESRS 2 IRO-1
(d) Adoption of measures to deal with such adverse occurrences	S4-3, G1-1
e) Monitoring of the effectiveness of these efforts and communication	S1-17, G1-1

In 2024, Pharma Mar prepared a human rights due diligence report detailing the mechanisms for ensuring appropriate corporate conduct, in line with the OECD Due Diligence Guidance for Responsible Business Conduct. Although the due diligence process is a dynamic exercise, this analysis allows for a systematic approach to identifying, preventing, mitigating and remediating the negative impacts that the company's activities may have on human rights.

GOV-5: Risk management and internal controls over sustainability reporting

Risk management and internal controls are key to ensuring transparency, truthfulness and accuracy in the disclosure of sustainability information. Given the current context, where the interest of investors, regulators and other stakeholders in environmental, social and governance issues has increased, Pharma Mar has a system of risk management and internal controls that enables it to gather sustainability information in a reliable and traceable manner.

As detailed in section GOV-1 of this ESRS 2, the Board of Directors is responsible for the approval of the Report and for ensuring that the information contained therein is complete and accurate. In addition, the Board has an Audit Committee, which in accordance with Article 5.1.c of the Audit Committee Regulations, has among its functions "to review, on an ongoing basis, the quality, clarity, consistency and integrity of the company's non-financial information, including information on sustainability".

To ensure the quality and traceability of the sustainability data contained in this Report, Pharma Mar has an Internal Control System for Non-Financial Information (ICSNFI), in place since 2022. The ICSNFI establishes a specific procedure for each group of indicators or associated processes that contains the criteria and methodologies necessary for the correct management and systematic collection of information.

The ICSNFI is coordinated by the Internal Audit function, which oversees its correct operation. All processes included in the ICSNFI are reviewed according to the periodicity and methods established therein, which guarantees the quality, traceability and reliability of sustainability information.

At least twice a year, the Audit Committee is informed of the internal audit activity, where the main conclusions of the work performed are shown and the steps to be taken to mitigate the possible deficiencies detected are detailed. Among the risks detected because of the reviews carried out within the framework of the ICSNFI are potential defects in the interconnection of IT systems that could compromise the quality of the information provided.

Accordingly, during 2024 Pharma Mar worked on the implementation of an external IT program to aggregate most of the sustainability information from its subsidiaries, meeting the requirements of its different reporting standards, including most of the indicators contained in this Report, and facilitating external verification.

Strategy

SBM-1: Strategy, business model and value chain

Strategy

Pharma Mar is a biopharmaceutical company focused on the research, development and commercialization of innovative drugs based on compounds of marine origin. Its strategy focuses on discovering and developing therapies to treat cancer by taking advantage of the unique biological properties of marine organisms. The company, founded in 1986, seeks to identify molecules with therapeutic potential and develop them through all phases of clinical research, production and commercialization. At the end of fiscal year 2024, the company had 495 employees[1] and revenues of 174.9 million euros.

Its strategy is based on the following pillars:

- Innovation based on marine biotechnology: Pharma Mar explores the oceans to find unique compounds with therapeutic properties that can be developed as medical treatments.
- Focus on oncology: Pharma Mar's main field of activity is the development of oncology drugs to treat various types of cancer.
- Internal development and third-party licensing: the company develops its own products and seeks strategic alliances with other pharmaceutical companies for the global commercialization of its drugs.
- International growth: Pharma Mar continues to expand its presence in key international markets through licensing and distribution agreements.
- Diversification in other therapeutic areas: although its focus is cancer, Pharma Mar, through its subsidiary Sylentis, has interests in other types of pathologies, as evidenced by the opening of a new plant to produce RNA-based drugs (oligonucleotides).
- Third-party licenses: the company is open to acquire licensing rights to commercialize products that are not its own R&D products.

Pharma Mar also has a sustainability strategy, the 2024-2026 Sustainability Plan, which includes action lines in the environmental, social and governance areas, and has measurable and traceable targets. Details of the plan can be found in the "metrics and targets" section of this ESRS 2, and in each of the thematic ESRS.

The main products marketed, which are administered in monotherapy or in combination with other compounds, are the following:

- Yondelis® (trabectedin): is the first oncology drug marketed by Pharma Mar. It is approved for treating soft tissue sarcoma and recurrent ovarian cancer. It is marketed in over 75 countries.
- Zepzelca® (lurbinectedin): another oncology drug approved for the treatment of metastatic small-cell lung cancer. It received its first marketing approval in the United States in 2020 and at year-end was approved in 16 other territories: Australia, Singapore, United Arab Emirates, Canada, Qatar, South Korea,

[1] A breakdown of employees by geographic area can be found in ESRS S1.

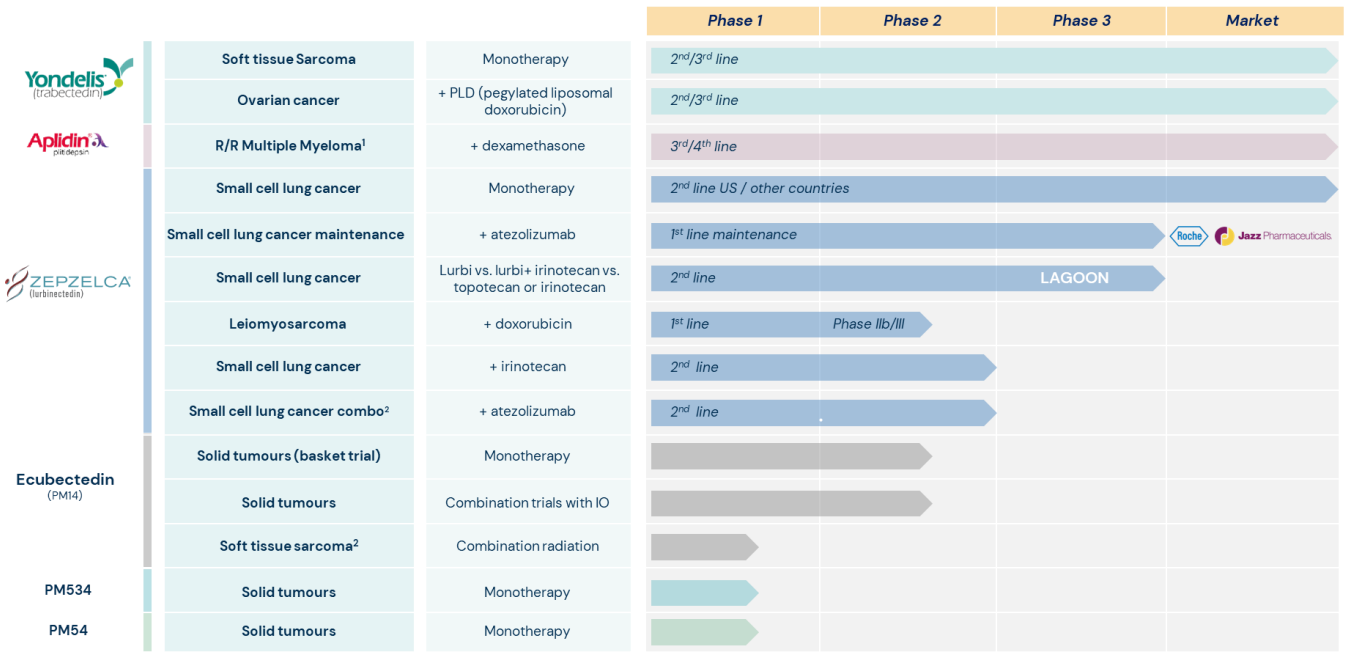
Ecuador, Mexico, Israel, Switzerland, Taiwan, Oman, Peru, Macau, Hong Kong and, as of the end of the year, China

- Aplidin® (plitidepsin): oncology drug for the treatment of relapsed multiple myeloma approved in Australia.

In the last quarter of 2024, Pharma Mar, S.A. and its partner Jazz Pharmaceuticals plc. announced positive, statistically significant and clinically relevant overall survival and progression-free survival results for Zepzelca® (lurbinectedin) in combination with atezolizumab for the treatment of small cell lung cancer in first-line maintenance. Pharma Mar plans to submit the marketing authorization application (MAA) for Zepzelca® (lurbinectedin) to the European Medicines Agency (EMA) in the first half of 2025 for approval in the European Union.

Also in 2024, the company received a notification from the European Commission informing Pharma Mar of its decision to revoke the denial of marketing authorization for Aplidin® for multiple myeloma. Additionally, the General Court of the European Union issued an order on November 15, 2024, declaring the dismissal of the proceedings, which will enable a new reevaluation process for the drug by the EMA.

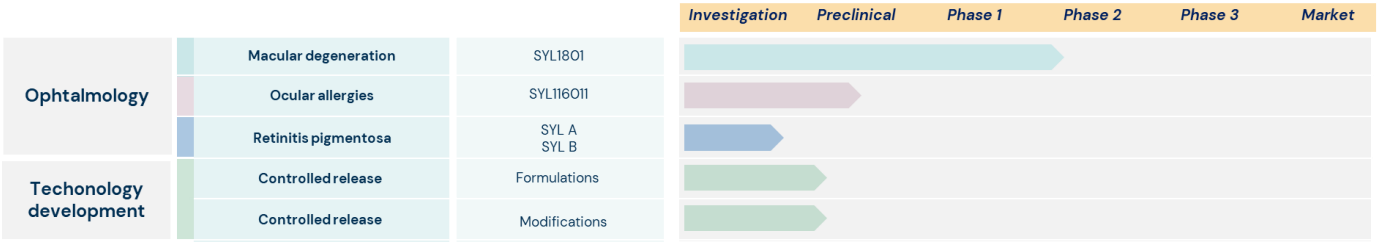
Pharma Mar's pipeline includes other active ingredients at different stages of clinical research as shown in the following chart:



(1) Approved in Australia
(2) IST – Investigator Sponsored Trial

Pharma Mar is active in another therapeutic area. This activity is channeled through Sylentis, a subsidiary of the company specialized in the development of new therapies based on RNA interference (RNAi). This is an emerging technology that makes it possible to regulate the expression of specific genes by inhibiting the synthesis of proteins associated with diseases using small fragments of RNA.

Sylentis' technology is focused on the use of this technique for the development of innovative drugs, especially in the field of ocular diseases. The company currently has compounds in various phases of clinical or preclinical trials.



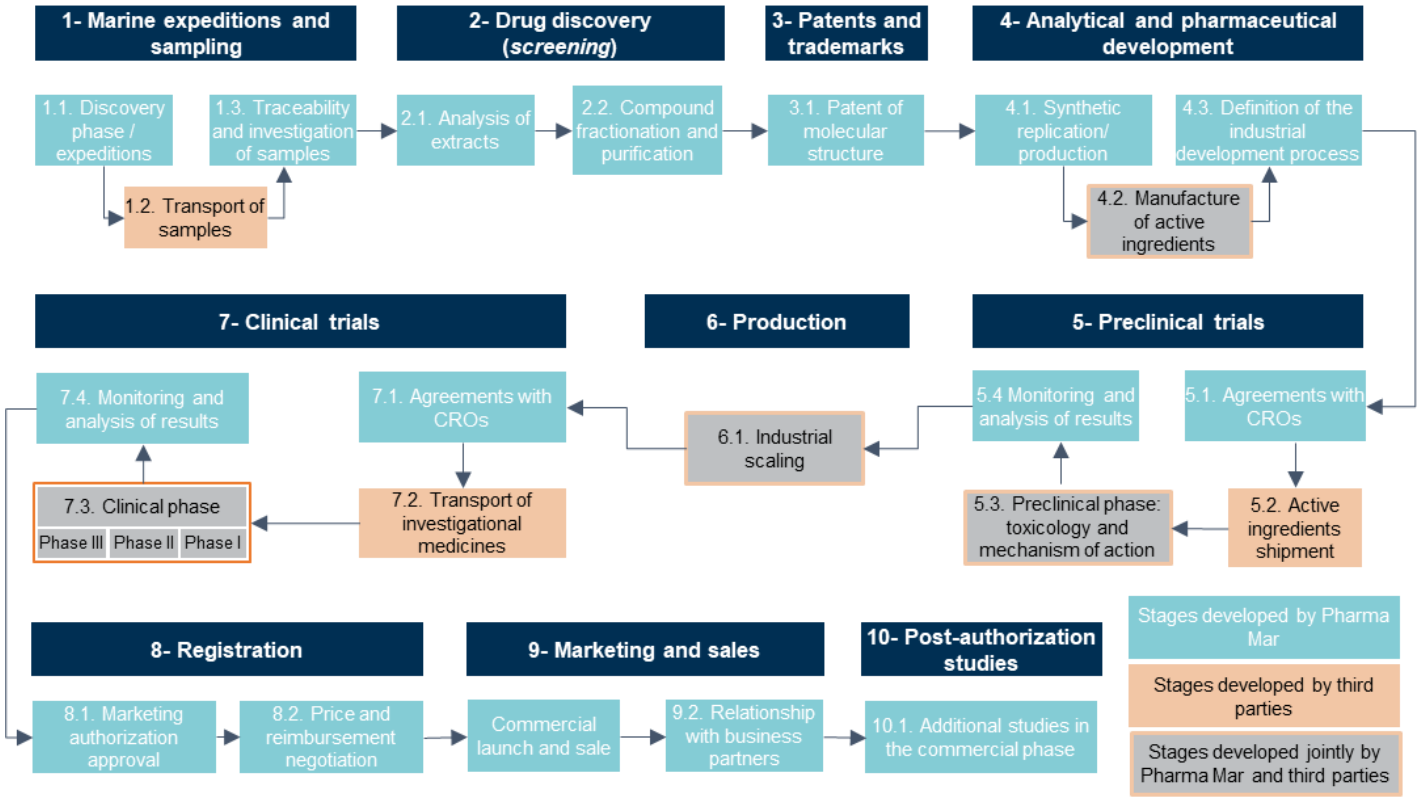
Business Model

Pharma Mar's business model is focused on the development and commercialization of marine-based anti-tumor drugs, with the oncology segment being the company's most important segment. Its value chain ranges from basic research to drug commercialization. Through licensing, strategic collaborations and direct drug sales, the company maximizes its revenues and expands its global presence in the pharmaceutical market.

The pillars of its business model are as follows:

- In-house research and development: Pharma Mar invests significantly and consistently in R&D to discover and develop new drugs, primarily in the field of oncology. This activity is at the core of its business model, where it allocates a very high proportion of its turnover. To support this, the company relies on a steady stream of recurring turnover and a strong balance sheet with net cash and a low debt position.
- Licensing agreements: Pharma Mar licenses certain intellectual property rights of some of its drugs to other pharmaceutical companies, granting authorizations for their production or commercialization in specific markets, primarily outside the European territory. This allows the company to generate turnover and optimize costs without having to rely on its own commercial infrastructure in each country where its products receive marketing authorization.
- Strategic collaborations: Pharma Mar collaborates with other pharmaceutical or biotechnology companies, especially to co-develop and commercialize products. These alliances can provide additional funds for R&D or improve the company's international marketing capacity.
- Direct sales of drugs: a significant portion of Pharma Mar's turnover comes from direct sales, mainly in Europe, of drugs that have been approved.
- Investment in therapeutic areas other than oncology: through its subsidiary Sylentis, Pharma Mar is also developing RNA interference-based treatments for ophthalmology.

Value chain



Pharma Mar's value chain can be described in several key stages, each divided into specific activities, some outsourced, others conducted in-house, and some developed jointly with third parties. These stages, ultimately aimed at improving patients' quality of life, begin with expeditions for the collection of marine invertebrate samples and culminate in the commercialization of medicines, their administration to oncology patients, and post-authorization studies.

The geographical scope of the value chain is mainly in Spain, where most of the stages take place, except for the sample collection expeditions, which take place in different parts of the world and differ from year to year. A detailed explanation of each stage of the value chain is given in Annex I, section 1 of this Report.

In addition, the value chain of Sylentis' business was analyzed and evaluated. However, due to its representativeness in relation to Pharma Mar and the particularities of its operation, it was decided to include only Pharma Mar's value chain in this Report.

SBM-2: Interests and views of stakeholders

Pharma Mar's stakeholders are those individuals or groups whose interests may be affected, positively or negatively, by the company's activities and its direct and indirect business relationships.

Pharma Mar has identified the stakeholders affected at each point in its value chain. Thus, the company has determined its interactions with its stakeholders upstream and downstream, as indicated in the understanding phase of section IRO-1 of the "impact,

risk and opportunity management" section of this ESRS 2. The main stakeholders identified were as follows:

- Employees.
- Shareholders and investors.
- Public and private entities, such as universities and research centers.
- Local governments and authorities.
- Regulatory agencies.
- Suppliers at different stages of the value chain, such as transporters, suppliers of laboratory materials, active ingredients, patent agents, clinical research organizations (CROs), contract manufacturing organizations (CMOs), etc.
- Business partners.
- Patients.
- Health workforce and hospitals.
- Media.
- Planet, meaning the environment in which the company carries out its activities.

For the analysis to determine the relative importance of the impacts, risks and opportunities described in the “impact, risk and opportunity management" section of this ESRS 2, the company has followed the requirements established by ESRS 1, establishing a dialogue process with the internal representatives of the affected stakeholders.

In any case, interaction with each stakeholder group takes place continuously through each corporate department and is essential for building trust-based relationships, maintaining a positive image, and ensuring regulatory compliance.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

To prepare this NFIS, Pharma Mar conducted an analysis of the impacts, risks and opportunities in its own activities and throughout its value chain. This exercise, whose full description and methodology are shown in the following section, has enabled the company to determine which sustainability-related issues have an influence on its strategy and business model and at what points in the development of its activity.

Regarding positive impacts, Pharma Mar’s core mision, developing innovative drugs that enhance patients’ quality of life and life expectancy, is in itself, a major benefit to society as a whole. Numerous immediate advantages arise directly from its business activities, including the creation of high-quality jobs, both direct and indirect, collaboration with public and private entities, technology transfer, and the promotion of marine biodiversity research in remote and often unexplored areas.

However, drug development also has collateral effects, so that there are a few negative impacts inherent to this activity, which the company tries to minimize to the best of its ability. These impacts include those related to air pollution, especially greenhouse gas emissions, and waste generation.

The company also has to manage a number of risks inherent to the development of its operations and to the environmental, social and regulatory context. Possible regulatory changes related to the use of hazardous substances and climate change could have a

direct impact on operating costs, while certain long-term physical risks, such as the loss of biodiversity, would reduce Pharma Mar's capacity to develop new drugs. In addition, exposure to toxic substances and improper management of hazardous waste would entail health risks for employees, possible legal sanctions and potential environmental damage. The lack of trained talent is also a risk for the proper development of the business. For all these risks, the company has implemented adequate control measures to reduce their probability of occurrence.

Pharma Mar also has several opportunities that would enable it to strengthen its competitiveness and reinforce its sources of revenue. Pharma Mar's unique business model and extensive library of marine samples could provide additional business in the future if the right conditions are met. On the other hand, the use of new technologies in drug discovery and development, especially in clinical trials, could shorten this process, extending the useful life of patents and increasing revenues in the long term.

These identified risks and opportunities are not expected to have material financial effects in the short and medium term on the financial position, financial performance or cash flows.

In addition, other cross-cutting issues of interest to Pharma Mar have been identified and, given its activity, it was decided to take them into account in this analysis. These include R&D and cybersecurity. R&D is critical to the company's business model, since it is what makes it unique and enables it to develop oncology drugs. Cybersecurity is crucial for the protection of personal information, systems, networks and malicious attacks, and is vital for the correct development of any company's business. Both topics are covered in specific chapters.

Impact, risk and opportunity management

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Pharma Mar conducted an analysis of impacts, risks and opportunities (IRO) in accordance with ESRS 1, which establishes double materiality, i.e. an assessment of materiality in terms of impact and financial materiality.

A sustainability issue is considered material from an impact point of view when it refers to actual or potential significant IROs, positive or negative, that the company could have on people or the environment in different time horizons and for different stages of the value chain.

In the case of financial materiality, a sustainability issue has been considered material from a financial perspective if it generates risks or opportunities that affect (or can reasonably be expected to affect) the company's financial position, financial performance, cash flows, access to financing or cost of capital over different time horizons.

The double materiality analysis was developed in different phases:

1. **Understanding:** the first phase of the process consisted of a detailed understanding of the Pharma Mar Group's value chain, from the initial stages of marine explorations for sample extraction, through the different stages of clinical

trials and drug distribution, to their administration to oncology patients. At each point in the value chain, the activities carried out internally and those carried out externally by a supplier are also detailed, as well as the stakeholders that interact with the company in some way. Details of Pharma Mar's value chain can be found in the "value chain" section of the "strategy" chapter of this ESRS 2.

2. **Identification:** once the value chain and affected stakeholders had been characterized, an analysis was conducted of external sources, including academic studies, official documents, official benchmark studies, benchmark indexes and other publications, in order to understand in detail the IROs that Pharma Mar faces in its daily operations. This analysis made it possible to identify critical factors that influence the company's performance, such as scientific advances, industry regulations and market dynamics.

   Considering the thematic ESRS and the topics, subtopics and sub-subtopics defined in ESRS 1 AR 16, a list of impacts was determined, classified according to the following variables: the stage of the value chain they affect, the stakeholders concerned, their positivity or negativity, and the actual or potential nature of each of them. The impacts were also analyzed according to whether they could have any type of repercussion on human rights, thus identifying the potential effects that Pharma Mar's activities could have on human rights throughout its value chain.

   In the case of risks and opportunities, where ESRS 1 AR 16 was also used as a basis, an initial list of risks and opportunities was prepared, structured according to their impact on the value chain, on their relationship with each stakeholder and according to their time horizon of materialization. In addition, each of the IROs was classified within a ESRS, topic, subtopic and sub-subtopic for subsequent weighting, comparison and analysis.

   The initial list was cross-checked with internal personnel from each of Pharma Mar's key business areas, who offered their point of view on the development of the business at each stage of the value chain, making it possible to identify critical factors that influence the company's performance, such as scientific and technological advances, industry regulations and market dynamics.

   All IROs have been considered at a stage prior to the establishment of control measures to prevent their materialization or mitigate their effects. A summary of the main IROs identified, analyzed and assessed in the subsequent phases of the double materiality analysis for each of the thematic ESRS is provided in Annex I, Section 2 of this Report.

3. **Evaluation:** in this phase, the actual and potential impacts (positive and negative) and the risks and opportunities associated with Pharma Mar's activities were assessed for each of the previously identified stakeholders (employees, environment, governments and regulatory bodies, public and private entities, suppliers, commercial partners, patients, hospitals and primary care centers). The risks were assessed on the basis of inherent risk, i.e. without taking the necessary measures to prevent them from materializing.

The assessment scales have been established in accordance with the guidelines set forth by NEIS 1. In the case of impacts, a distinction has been made between their potential or actual nature, as well as their positive or negative character. These impacts have been evaluated based on their magnitude, scope, probability of occurrence (for potential impacts), and irreversibility (for negative impacts). For risks and opportunities, quantification has been carried out based on a combination of the probability of occurrence and the potential magnitude of financial effects. Additionally, an analysis has been conducted to determine whether these factors could have a significant influence on cash flows, business development and positioning, the cost of capital, and access to financing.

The evaluation exercise was carried out by internal representatives of Pharma Mar's stakeholders, who were sent a tool developed specifically for this exercise, which they used to evaluate each of the variables defined above for each IRO within their area of competence.

In addition, thresholds have been determined at this stage to define which IROs are material and the related material subtopics.

4. **Determination:** the last phase of the double materiality analysis allowed the consolidation of the evaluations carried out, defining which topics, subtopics and sub-subtopics established by ESRS 1 AR 16 have been considered as relevant for the purpose of providing information on them in this Report. For this purpose, the 60th percentile was established as a reasonable threshold, considering the IROs rated above that range as material to be included.

   The following table indicates which subtopics and sub-subtopics are considered relevant according to the established thresholds:

Topic	Sub-topic	Sub-sub-topic	IRO	
			Impact materiality	Financial materiality
E1 Climate change	Climate change adaptation		■	■
	Climate change mitigation		■	■
	Energy		■	■
E2 Pollution	Air pollution		■	■
	Water pollution			■
	Soil Pollution		■	■
	Pollution of living organisms and food resources			
	Substances of very high concern		■	■
	Substances of concern		■	■
	Microplastics		■	
E3 Water and marine resources	Water	Water consumption	■	■
		Water withdrawals		■
		Water discharges	■	■
		Water discharges into the oceans		
	Marine resources	Extraction and utilization of marine resources		■
E4 Biodiversity and ecosystems	Direct impact drivers on biodiversity loss	Climate change	■	
		Land use change, fresh water-use change and sea-use change.		
		Direct operation	■	■
		Invasive alien species		
		Pollution		■
	Impact on the state of species	Species population size		
		Species global extinction risk		
	Impacts on the extent and condition of ecosystems	Land degradation		
		Desertification		
		Soil sealing		
	Impacts and dependencies on ecosystem services			
E5 Circular economy	Resource inflows, including resource use			
	Resource outflows related to products and services		■	
	Waste		■	■
S1 Own workforce	Working conditions	Secure employment		
		Working time		
		Adequate wages	■	■
		Social Dialogue		
		Freedom of association, the existence of works councils and the information, consultation and participation rights' of workers		
		Collective bargaining, including the rate of employees covered by collective agreements		
		Work-life balance		■
		Health and safety	■	■
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value		
		Training and skills development	■	■
		Employment and inclusion of persons with disabilities		
		Measures against violence and harassment in the workplace		
		Diversity		
	Other work-related rights	Child labor		
		Forced labor		
		Adequate housing		
		Privacy		■
S2 Value chain workers	Working conditions	Secure employment		
		Working time		
		Adequate wages		
		Social Dialogue		
		Freedom of association, including the existence of work councils		

		Collective bargaining		
		Work-life balance		
		Health and safety		
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value		
		Training and skills development		
		Employment and inclusion of people with disabilities		
		Measures against violence and harassment in the workplace		
		Diversity		
	Other work-related rights	Child labor		
		Forced labor		
		Adequate housing		
		Water and sanitation		
		Privacy		
S3 Affected communities	Economic, social and cultural rights of groups of people with disabilities	Adequate housing		
		Adequate food		
		Water and sanitation		
		Land-related impacts		
		Security-related impacts		
	Communities' civil and political rights	Freedom of expression		
		Freedom of assembly		
		Incidences on human rights defenders		
	Rights of indigenous peoples	Free, prior and informed consent		
		Self-determination		
		Cultural rights		
S4 Consumers and end users	Information-related impacts for consumers and/or end-users	Privacy		
		Freedom of expression		
		Access to (quality) information		
	Personal safety of consumers and/or end users	Health and safety		
		Security of a person		
		Protection of children		
	Social inclusion of consumers and/or end users	Non-discrimination		
		Access to products and services		
		Responsible marketing practices		
G1 Business conduct	Corporate culture			
	Protection whistle-blowers			
	Animal welfare			
	Political engagement and lobbying activities			
	Management of relationships with suppliers including payment practices			
	Corruption and bribery	Prevention and detection, including training		
		Incidents		
EE Research and development				
EE Cybersecurity				

Pharma Mar's management of IROs requires special attention in a highly regulated industry that is subject to rapid change and immersed in innovation and product development projects that require a large financial, material and time investment and do not always guarantee a successful outcome or short-term profitability. The company's IRO management is carried out independently by each of the affected departments or areas, thus achieving the involvement of all corporate levels in the anticipation and prevention of risks and reaching the necessary granularity for an agile and efficient management of them.

Each of the thematic ESRS specifies the IROs that, according to the established threshold, have been considered material and are reported accordingly.

IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Following the double materiality analysis, it has been determined that, after evaluating and categorizing the identified IROs, the company will adopt the provisions for a phase-in and postpone the disclosure of information related to the thematic ESRS S2 – Workers in the Value Chain and S3 – Affected Communities. This decision is based on the fact that, although certain subtopics within these standards have been deemed material, the company does not currently have specific targets, policies, or actions linked to the identified impacts.

Over 96% of Pharma Mar's suppliers are located in OECD countries, which guarantees respect for labor rights. The company also has a Procurement Policy, which includes a Code of Conduct in the supply chain, aimed at extending Pharma Mar's ethical, environmental and social standards to its value chain. Regarding workers, the code advocates the protection of fundamental human rights, labor rights, freedom of association and other matters covered by International Labor Organization conventions.

Pharma Mar has only detected potential impacts on local communities in certain locations where it conducts sample collection expeditions. To mitigate any risk of unwanted impact on these groups, the company signs research contracts with local authorities in which it undertakes to extract samples under minimally invasive conditions. In addition, such agreements often include collaboration agreements with local universities to train teaching and research staff, promoting the transfer of knowledge and technology to the countries where the explorations are carried out.

The following is a list of the disclosure requirements met according to the thresholds established as explained in section IRO-1 and their location in the Report. For each of them, the information specified for each thematic ESRS is provided.

Standard	Disclosure requirement		Page
E1	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	26
E1	E1-1	Transition plan for climate change mitigation	26-27
E1	ESRS 2 SMB-3	Material impacts, risks and opportunities and their interaction with the strategy and business model.	27-29
E1	ESRS 2 IRO-1	Description of the processes for identifying and assessing material climate-related impacts, risks and opportunities.	29-30
E1	E1-2	Policies related to climate change mitigation and adaptation	30-31
E1	E1-3	Actions and resources in relation to climate change policies	31
E1	E1-4	Targets related to climate change mitigation and adaptation	31
E1	E1-5	Energy consumption and mix	33-34
E1	E1-6	Scope 1, 2 and 3 gross GHG emissions and total GHG emissions	34-35
E1	E1-7	GHG removals and GHG mitigation projects financed with carbon credits	36
E1	E1-8	Internal carbon pricing	36
E2	ESRS 2 IRO-1	Description of the processes for identifying and assessing significant impacts, risks and opportunities related to pollution.	44-45
E2	E2-1	Policies related to pollution	45
E2	E2-2	Actions and resources related to pollution	46
E2	E2-3	Targets related to pollution	47
E2	E2-4	Pollution of air, water and soil	47
E2	E2-5	Substances of concern and substances of very high concern	48
E3	ESRS 2 IRO-1	Description of the processes for identifying and assessing significant impacts, risks and opportunities related to water and marine resources.	49
E3	E3-1	Policies related to water and marine resources	49-50
E3	E3-2	Actions and resources related to water and marine resources	50
E3	E3-3	Targets related to water and marine resources	50
E3	E3-4	Water consumption	50
E4	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	51
E4	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	51-52
E4	ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	52-53
E4	E4-2	Policies related to biodiversity and ecosystems	53
E4	E4-3	Actions and resources related to biodiversity and ecosystems	54
E4	E4-4	Targets related to biodiversity and ecosystems	54
E4	E4-5	Impact metrics related to biodiversity and ecosystems change	54
E5	ESRS 2 IRO-1	Description of processes to identify and assess material impacts, risks and opportunities related to resource use and the circular economy.	55
E5	E5-1	Policies related to resource use and circular economy	55
E5	E5-2	Actions and resources related to resource use and circular economy	56
E5	E5-3	Targets related to resource use and circular economy	57
E5	E5-5	Resource outflows	56-57
S1	ESRS 2 SBM-2	Stakeholder interests and opinions	59
S1	ESRS 2 SBM-3	Material issues, risks and opportunities and their interaction with strategy and business model	59-60
S1	S1-1	Policies related to own workforce	61
S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts	62
S1	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	62
S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	62-63
S1	S1-5	Targets related to managing material negative impacts, driving positive impacts, and managing material risks and opportunities	63-64
S1	S1-6	Characteristics of the undertaking's employees	64-68
S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	69
S1	S1-8	Collective bargaining coverage and social dialogue	69-70
S1	S1-9	Diversity metrics	70
S1	S1-10	Adequate wages	70
S1	S1-11	Social protection	70
S1	S1-12	Persons with disabilities	71
S1	S1-13	Training and skills development metrics	71-72
S1	S1-14	Health and safety metrics	72-73
S1	S1-15	Work-life balance metrics	73

S1	S1-16	Compensation metrics (pay gap and total compensation)	73-76
S1	S1-17	Incidents, complaints and severe human rights impacts	76-77
S4	ESRS 2 SBM-2	Stakeholder interests and opinions	78
S4	ESRS 2 SBM-3	Material issues, risks and opportunities and their interaction with strategy and business model	78-80
S4	S4-1	Policies related to consumers and end-users	80-81
S4	S4-2	Processes for engaging with consumers and end-users about impacts	81
S4	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	81-82
S4	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	82
S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83
G1	ESRS 2 GOV-1	The role of administrative, management and supervisory bodies	84
G1	ESRS 2 IRO-1	Description of processes to identify and assess material impacts, risks and opportunities.	84-85
G1	G1-1	Corporate culture and business conduct policies and corporate culture	85-86
G1	G1-3	Prevention and detection of corruption and bribery	86-88
G1	G1-4	Confirmed incidents of corruption or bribery	88
G1	G1-6	Political influence and lobbying activities	88
Entity specific		Research and development	89-90
Entity specific		Cybersecurity	91-92

In addition, a reference is included to the location of certain information points that also respond to other European legislation, such as the Regulation on Sustainability Disclosures in the Financial Services Sector (also known as SFRD, *Sustainable Finance Regulation Directive*), the Pillar 3 Regulation, the Benchmark Regulation (also known as *Benchmark* Regulation), as well as the European Climate Legislation.

Standard	Section	Information	Regulation	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	SFDR	6
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent	SFD	6
ESRS 2 GOV-4	30	Statement on due diligence	SFD	8-9
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	SFDR, Regulation	Not of relative relevance
ESRS 2 SBM-1	40 (d)	Involvement in activities related to chemical production	SFDR, Regulation	Not of relative relevance
ESRS 2 SBM-1	40 (d) iii - 40 (d) iv	Involvement in activities related to controversial weapons and tobacco cultivation and production.	SFDR, Regulation	Not of relative relevance
E1-1	14	Transition plan to reach climate neutrality by 2050	Climate Law	26-27
E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	Pillar 3, Regulation	26
E1-4	34	GHG emission reduction targets	SFRD, Pillar 3, Regulation	31
E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFRD	33-34
E1-5	37	Energy consumption and mix	SFRD	33-34
E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	SFRD	N/A
E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFRD, Pillar 3, Regulation	34-35
E1-6	53-55	Gross GHG emission intensity	SFRD, Pillar 3, Regulation	Phased-in
E1-7	56	GHG removals and carbon credits	Climate Law	36
E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	Regulation	Phased-in
E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	Pillar 3	Phased-in
E1-9	66 (c)	Location of significant assets at material physical risk	Pillar 3	Phased-in

E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Pillar 3	Phased-in
E1-9	69	Degree of exposure of the portfolio to climate-related opportunities.	Benchmark Regulation	Phased-in
E2-4	28	Amount of each pollutant listed in Annex II of the European PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil.	SFRD	47
E3-1	9	Water and marine resources	SFRD	49-50
E3-1	13	Dedicated policy	SFRD	49-50
E3-1	14	Sustainable oceans and seas	SFRD	49-50
E3-4	28 (c)	Total water recycled and reused	SFRD	50
E3-4	29	Total water consumption in m^3 per net revenue from own operations	SFRD	50
ESRS 2, IRO 1 - E4	16 (a) i	Indicator number 7 Table 1 of Annex 1	SFRD	52-53
ESRS 2, IRO 1 - E4	16 (b)	Indicator number 10 Table 2 of Annex 1	SFRD	52-53
ESRS 2, IRO 1 - E4	16 (c)	Indicator number 14 Table 2 of Annex 1	SFRD	52-53
E4-2	24 (b) - (d)	Sustainable land / agriculture, oceans / seas, deforestation practices or policies	SFRD	53
E5-5	37 (d)	Non-recycled waste	SFRD	56-57
E5-5	39	Hazardous waste and radioactive waste	SFRD	56-57
ESRS 2, SBM 3 - S1	14 (f)	Risk of incidents of forced labor	SFRD	59-60
ESRS 2, SBM 3 - S1	14 (g)	Risk of indidents of child labor	SFRD	59-60
S1-1	20	Human rights policy commitments	SFRD	61-62
S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation	61-62
S1-1	22	Processes and measures for preventing trafficking in human beings	SFRD	61-62
S1-1	23	Workplace accident prevention policy or management system	SFRD	61-62
S1-3	32 (c)	Mechanisms for handling complaints or grievances	SFRD	62
S1-14	88 (a), (c)	Number of fatalities and number and rate of work-related accidents	SFRD, Benchmark Regulation	72-73
S1-14	88 (e)	Number of days lost due to injuries, accident, fatalities or illness	SFRD	72-73
S1-16	97 (a)	Unadjusted gender pay gap	SFRD, Benchmark Regulation	73-76
S1-16	97 (b)	Excessive CEO pay ratio	SFRD	73-76
S1-17	103 (a)	Incidents of discrimination	SFRD	76-77
S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFRD, Benchmark Regulation	76-77
ESRS 2, SBM 3 - S2	11 (b)	Significant risk of child labor or forced labor in the value chain	SFRD	Phased-in
S2-1	17	Human rights policy commitments	SFRD	Phased-in
S2-1	18	Policies related to value chain workers	SFRD	Phased-in
S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFRD, Benchmark Regulation	Phased-in
S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation	Phased-in
S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFRD	Phased-in
S3-1	16	Human rights policy commitments	SFRD	Phased-in
S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	SFRD, Benchmark Regulation	Phased-in
S3-4	36	Human rights issues and incidents	SFRD	Phased-in
S4-1	16	Policies related to consumers and end-users	SFRD	80-81
S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFRD	80-81
S4-4	35	Human rights issues and incidents	SFRD	82

G1-1	10 (b)	United Nations Convention against Corruption	SFRD	85-86
G1-1	10 (d)	Protection of whistle- blowers	SFRD	85-86
G1-4	24 (a)	Fines for violating anti-corruption and anti-bribery laws	SFRD	88
G1-4	24 (b)	Standards of anti- corruption and anti-bribery	SFRD	88

Policies MDR-P: Policies adopted to manage material sustainability matters

The policies adopted to manage material sustainability issues are specified in each of the corresponding thematic ESRSs.

Actions MDR-A: Actions and resources in relation to material sustainability matters

Pharma Mar has a Sustainability Plan, approved by the Board of Directors, covering the period 2024 - 2026, which establishes targets for improvement in the environmental, social and governance (ESG) areas. The plan, aligned with the Sustainable Development Goals (SDGs), is intended to enable the company to innovate, grow and create value in the long term, and through it the company is committed to working to reduce its environmental footprint, promote fair and safe labor practices, contribute to the well-being of the communities in which it operates and implement best practices in transparency and governance.

The plan's lines of action were defined to respond to the company's needs in different areas of sustainability, adapting to its business model and the needs of its stakeholders. These actions are sometimes not fully aligned with the ESRS because the pharmaceutical sector, and Pharma Mar in particular, is a highly specialized industry.

Actions and resources related to material sustainability issues are developed in each of the corresponding thematic ESRSs.

Metrics MDR-M: Metrics in relation to material sustainability issues

The 2024 - 2026 Sustainability Plan has 65 specific measures, each with specific and measurable indicators that allows to evaluate the evolution and degree of compliance of each of them. The goals set out do not coincide on occasions with the material issues found in the IROs, as the latter are general issues analyzed prior to risk or impact mitigation or reduction measures.

For the purposes of this report, these measures are grouped into lines of action under the ESG areas:

- Environment
  - Encourage the use of recyclable materials.
  - Reduce environmental impact.
  - Optimize the use of resources.
  - Improve knowledge of marine biodiversity.
- Social
  - Encourage agreements with universities and research centers and promote health-related events.

    - Promote equality and non-discrimination.
    - Attract and retain the best talent.
    - Strengthen the sense of belonging.
    - Implement ESG criteria in the supply chain.
    - Ensure a safe and healthy work environment.
- Governance
    - Incorporate ESG issues in the remuneration, selection and training of Board Members.
    - Strengthen the normative and regulatory framework.
    - Promote ethical and responsible behavior.

This Report does not provide specific details of the targets set because most of them do not have an IRO to which they can be directly linked. A summary of the 2024 - 2026 Sustainability Plan is available on Pharma Mar's website: www.pharmamar.com.

MDR-T Targets: Tracking effectiveness of policies and actions through targets

Pharma Mar monitors the degree of compliance with the targets and indicators included in the 2024-2026 Sustainability Plan on an annual basis. To this end, the areas involved in its development compare the performance of each of the planned actions, assessing their level of execution and proposing alternatives if the planned goals have not been achieved.

The monitoring of the effectiveness of policies and actions through targets in relation to material sustainability issues are developed in each of the relevant thematic ESRSs.

ESRS E1: CLIMATE CHANGE

Governance

ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes

The Governance chapter of ESRS 2, section GOV-3, details which component of the Executive Chairman variable compensation is linked to sustainability-related targets. In the case of the Chairman, that remuneration amounts to 8% of the variable component and is linked to the achievement of BREEAM (Building Research Establishment Environmental Assessment Methodology) certification for the oligonucleotide production plant that Pharma Mar completed construction of in Getafe (Madrid) in 2024.

In addition, some members of Pharma Mar's management have among the targets linked to their variable salary, which is up to 35% of the fixed component, the achievement of certain climate-related targets included in the 2024-2026 Sustainability Plan. These include the preparation of a report on climate risks and opportunities and the establishment of a Net Zero Plan to achieve the proposed decarbonization targets, which are mentioned in the following section.

During 2025, specific targets related to the achievement of goals associated with governance issues and carbon footprint reduction will be included in the variable salary of the Executive Chairman and certain executives.

Strategy

E1-1: Transition plan for climate change mitigation

Although the pharmaceutical sector is not greenhouse gas (GHG) intensive, it also faces challenges arising from climate change and plays an important role in the transition to a decarbonized economy. Pharma Mar, recognizing its role in the transition to a low-emission economy, is aligned with compliance with the Paris Agreement[2] , especially with the goal of limiting global warming to 1.5°C with respect to pre-industrial levels. A sign of its commitment in this area is the establishment of emission reduction targets, endorsed by Science-Based Targets Initiative (SBTi), in the medium and long term. These targets are as follows:

- Reduce Scope 1 and 2 emissions by 42% in 2030, compared to base year, 2021.
- Long-term net zero target, with a 90% reduction in Scope 1, 2 and 3 emissions in 2050 compared to base year 2021, offsetting the remaining 10%.

To meet these targets, Pharma Mar has a plan to reduce its GHG emissions in the medium and long term, the Net Zero Plan. The Net Zero Plan is based on the correct identification of Pharma Mar's sources of emissions in the three scopes for the base year, 2021, when emissions totaled 15,058 tCO_2eq.

[2] Pharma Mar is not excluded from the EU benchmarks harmonized with the Paris Agreement, as established in Delegated Regulation (EU) 2020/1818.

Type of emissions	Emissions (tCO_2eq)	% of total
Scope 1	**1,373.92**	**9.36%**
Stationary	647.05	4.29%
Cell phones	561.15	3.98%
Refrigerant gases	164.72	1.09%
Scope 2 market-based	**1,236.56**	**8.19%**
Scope 3	**12,448.82**	**82.45%**
Purchased goods and services	3,855.53	25.54%
2. Capital Goods	7,159.01	47.42%
3. Fuel and Energy-related activities	202.95	1.34%
4. Upstream transportation and distribution	57.23	0.38%
Waste generated in operations	94.14	0.62%
6. Business travel	97.24	0.64%
7. Employee commuting	728.49	4.82%
9. Downstream transportation and distribution	254.23	1.68%
TOTAL	**15,058.30**	**100%**

The drug production process is highly regulated, and the facilities in which they are manufactured must be verified by regulatory agencies. Therefore, the Net Zero Plan, presented and approved by the Appointments and Compensation and Sustainability Committee, does not involve a transformation of the business model or require significant investments, but rather seeks to reduce emissions directly in each of its sources, and therefore does not constitute a transition plan as such. The main decarbonization levers are described in section E1-4 of this chapter.

In relation to the Net Zero Plan, the following advances during 2024 are noteworthy:

- Supply of electricity from 100% renewable sources at the Colmenar Viejo laboratory.
- Inauguration of the Sylentis laboratory, with 168 kWp of installed capacity of photovoltaic solar panels, which will cover up to 30% of demand.
- Increase in the installed capacity of photovoltaic solar panels by 60 kWp at the Colmenar Viejo laboratory, which is expected to provide up to 12% of the electricity demand from this source.

Impact, risk and opportunity management

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.

In 2024, Pharma Mar completed preparation of a "Report on Risks and Opportunities related to climate change". The analysis was conducted in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) of the Financial Stability Board (FSB) and in accordance with the guidelines described in Appendix A of Delegated Regulation 2021/2139/EU of the EU Taxonomy, which sets out the generic criteria related to the principle of no significant harm to climate change adaptation, and addresses the physical and transitional risks faced by Pharma Mar due to climate change, and the opportunities that could arise from the implementation of mitigation measures.

The report is developed according to the following structure:

- Governance: description of Pharma Mar's governance structure in relation to the identification, assessment and management of transition and physical risks, as well as climate-related opportunities.

- Identification, evaluation and management of transition and physical risks: details of the procedure for calculating and prioritizing the global risk of each climate event based on different variables, such as probability of occurrence, severity, fragility and adaptive capacity. Transition risks were categorized into four types: political and regulatory, technological, market and reputational.
- Description of climate risks and opportunities: qualitative and quantitative analysis of the physical climatic risks affecting the Group's laboratories, as well as other company's facilities and the main national and international suppliers. Physical events, acute and chronic, related to temperature, wind, water or solid mass are analyzed from a point of view of the four variables mentioned in the previous point and according to different scenarios dependent on the evolution of atmospheric CO_2 concentration to 2050. The transition risks and opportunities detected are also described according to their time horizon and probability of occurrence.
- Description of climate impacts and opportunities: for each physical climate event, the potential physical impacts on Pharma Mar's facilities and the possible financial impacts on the company's results if they materialize are described. For transition risks and opportunities, the expected significant impacts are described, and their potential financial impact is quantified.
- Strategy: description of the approach adopted by Pharma Mar to adapt to and mitigate the negative impacts of climate-related risks and to promote the positive impacts arising from the opportunities identified.
- Metrics and targets: indicators and associated calculation methodology to monitor, manage and measure risks and opportunities related to climate change.

The physical weather events analyzed in the report, as well as their indicators and associated units of measurement, which are estimated to affect Pharma Mar's facilities, after discarding those that are not applicable because they occur in maritime or high mountain areas, are as follows:

Weather event	Climate indicator	Climate indicator units
Air temperature variation	Maximum temperature	Variability in degrees Celsius
Heat wave	Heat waves change duration	Variability in number of days
Cold wave/freeze	Change in number of frost days	Variability in number of days
Windstorms	Change in maximum daily gust at 10m	Variability in speed (m/s)
Water stress	Change in the duration of dry periods	Variability in number of days
Drought	Change in the rainy season	Variability in number of days
Heavy precipitation (rain)	Change in heavy precipitation	Change in intense precipitation (%)
Heavy precipitation (snow or ice)	Nevada	Variability in cumulative mm
Pluvial flooding	Flood indicator	Maximum precipitation in five consecutive days (mm)

After analyzing the physical risks of climate change in accordance with the methodology explained above, it can be concluded that Pharma Mar's facilities are not subject to high levels of risk in any of the scenarios considered. There are only medium-low risk levels in the most extreme scenario (Representative Concentration Pathway 8.5) and only in

the case of water stress and drought. In the case of national and international suppliers, some of them present a medium risk level in the case of heavy rainfall, floods and forest fires. To avoid possible contingencies related to the materialization of these risks at its suppliers, Pharma Mar has diversified its supply sources.

The transition risks included in the report, after analyzing their potential financial impact and discarding those that are not applicable due to their low probability of occurrence, are as follows:

Group	Transition risks
Legal and political	i. Carbon emissions price
	ii. Increased reporting obligations
Technological	iii. Costs for the transition to technologies with lower emissions.
Market	i. Increased cost of materials and energy

In relation to these transition risks, although the probability of occurrence is highly probable in the case of some regulatory and technological risks that require increased transparency in relation to issues related to climate change or the implementation of cleaner technologies, the associated financial impact is very limited in all the cases analyzed.

Finally, among the opportunities linked to climate change detected, the increase in energy efficiency of the facilities and the use of low-emission energy sources stand out as those with the greatest potential financial impact, although in any case they are of a limited nature.

Given Pharma Mar's business sector and the limited impact that climate change may have on its business model, it is not considered necessary to take any specific action to adapt it beyond the targets set out in the Net Zero Plan, which aims to achieve a climate-neutral company by 2050.

ESRS 2 IRO-1: Description of the process to identify and assess material climate-related impacts, risks, and opportunities.

The process for analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
E1 Climate change mitigation	-	Own operations	Production	Planet	Emission reductions from renewable energy consumption
E1 Climate change mitigation	-	Upstream / downstream	All phases	Planet	Emission reductions from sustainable transportation
E1 Climate change mitigation	-	Upstream/downstream	All phases	Planet	Negative impact due to the generation of emissions from suppliers
E1 Climate change mitigation	-	Upstream/own operations/downstream	All phases	Planet	Pharma Mar offices generate emissions
E1 Climate change mitigation	-	Own operations	All phases	Planet	Pharma Mar's manufacturing processes in its own operations generate emissions.
E1 Climate change adaptatioon	-	Downstream	All phases	Patients and hospitals	Positive impact related to resilience to climate risks.
E1 Energy	-	Upstream	All phases	Planet	Suppliers need energy to produce goods/services

The relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
E1 Climate change mitigation	-	Upstream/downstream	Outsourced phases	Planet, shareholders, suppliers and business partners	Risk of increased regulation of emissions reduction in transportation
E1 Climate change mitigation	-	Own operations	Pharmaceutical development and production	Planet, shareholders, employees	Opportunity due to decarbonization targets
E1 Climate change mitigation	-	Upstream	Marine expeditions and drug discovery	Governments, suppliers	Risk arising from failure to meet climate targets
E1 Adaptation to climate change	-	Own operations	Pharmaceutical development and production	Employees, shareholders	Opportunity of not having to stop operations due to extreme weather conditions thanks to the adaptation of Pharma Mar's own facilities.
E1 Climate change adaptation	-	Own operations	All activities of the company	Shareholders, suppliers, quality	Transition climate risks in own operations
E1 Climate change adaptation	-	Downstream	All activities	Patients, hospitals	Opportunity for new product development due to the acceleration of disease due to climate change
E1 Climate change adaptation		Downstream	Marketing and sales	Providers, patients	Risks related to access to medicines due to climate change
E1 Energy	-	Own operations	All activities	Shareholders, planet	Opportunity to use renewable energy

The previous section describes the different physical and transition risks, as well as the climate scenarios analyzed as part of the analysis of climate risks and opportunities prepared in parallel to the double materiality analysis to determine the contents of this Report.

E1-2: Policies related to climate change mitigation and adaptation

Pharma Mar's recently revised Sustainability Policy establishes among its principles of action "to promote actions to mitigate climate change and progressively reduce its carbon

footprint". The Sustainability Policy has been approved by the Board of Directors and applies to the entire workforce.

In addition, the company has an Integrated Quality, Prevention and Environment Policy which establishes the general principles that guide its actions in these areas. For its correct implementation, it is determined to "establish specific targets in the areas of quality, environment, health and safety of workers, as well as management indicators within the company's sustainability targets", as well as "the rational use of resources, materials and energy". The company is in the process of developing a specific environmental policy that will address specific issues related to climate change.

E1-3: Actions and resources in relation to climate change policies

As described in section E1-1, Pharma Mar has a decarbonization plan, the Net Zero Plan, with the ultimate goal of achieving climate neutrality by 2050. The actions proposed under the plan are aimed at controlling emissions throughout the company's value chain, both in relation to the activities under its operational control and the goods and services it acquires from third parties. The main levers, classified according to the main scope of emissions, are described in section E1-4.

Metrics and targets

E1-4: Targets related to climate change mitigation and adaptation

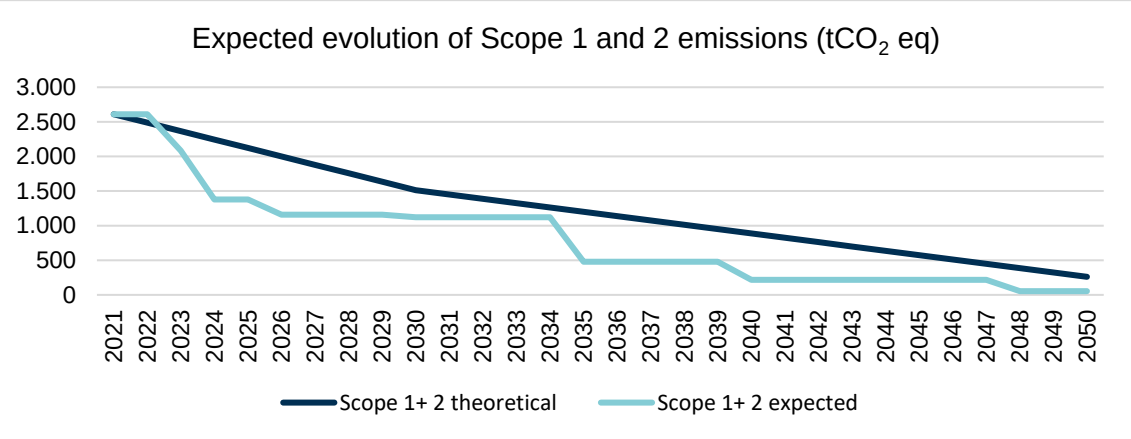
Pharma Mar has a plan for complete decarbonization of the company by 2050, with an intermediate target by 2030. These targets, validated by SBTi, take 2021 as the base year, the date on which the company made an accurate calculation of its emissions for the three scopes. They are as follows:

- Reduce Scope 1 and 2 emissions by 42% by 2030.
- Long-term net zero target, with a 90% reduction in Scope 1, 2 and 3 emissions by 2050, offsetting the remaining 10%.

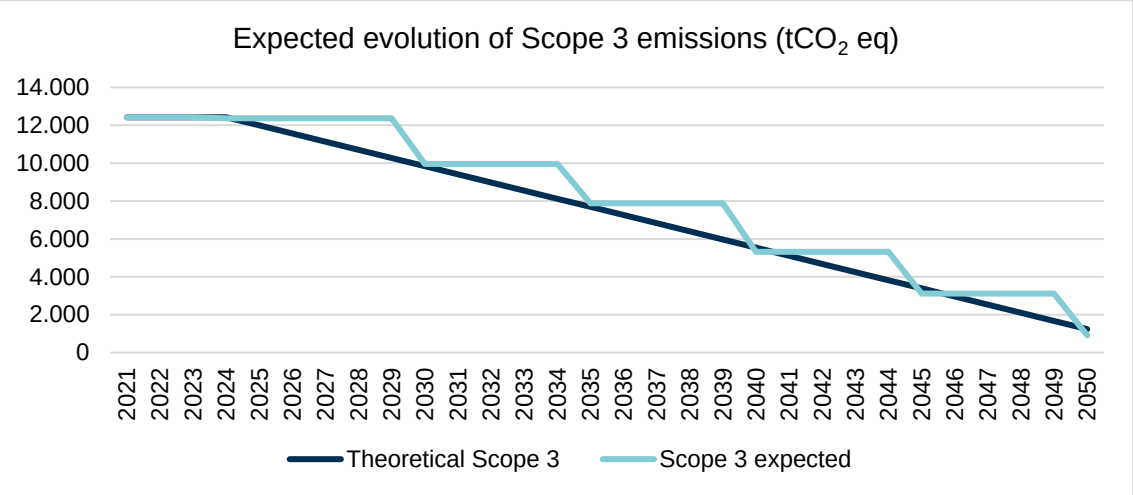
These goals are to be achieved through specific actions or levers, with different application periods and theoretical emission reductions. All of them entail an associated investment, although their amount does not make it necessary to make provisions. They are the following:

Emissions category	Lever	Application period	Expected emission reductions (tCO_2)
Scope 1	Replacement of the fuel used by the boilers with biomethane, and replacement of the boilers at the end of their useful life with more efficient ones	2035	643.34
Scope 1	Progressive electrification of the vehicle fleet	2025-2040	561.15
Scope 1	Implementation of the preventive maintenance program for refrigeration equipment, with a view to gradually replacing refrigerant gases with CO_2.	2025-2050	164.71
Scope 2	Installation of photovoltaic solar panels for self-consumption	2025	0
Scope 2	Electricity consumption with certificate of renewable origin	2025	706.34
Scope 3	Promote a responsible supply chain by procuring goods and services from more sustainable suppliers.	2025-2050	11,003.63
Scope 3	Replacement of single-use plastics	2025-2026	11.92
Scope 3	Change in *upstream* and *downstream* transportation methods	2025-2030	276.78
Scope 3	Reduction of business travel and staff commutes	2025-2040	673.38

The expected evolution of Scope 1 and 2 emissions with the implementation of the aforementioned levers is as follows:



As for Scope 3 emissions, their evolution comparing a linear reduction with the proposal based on the previously described levers is as follows:



E1-5: Energy consumption and mix

Pharma Mar's main sources of energy consumption are the work centers and the fuels used by its fleet of vehicles. The energy sources used in 2024 at the company's fixed facilities (laboratories in Colmenar Viejo and Getafe, and subsidiaries) were electricity and natural gas.

The Colmenar Viejo laboratory has been certified to supply electricity from 100% renewable sources since August 2023, and has a solar photovoltaic installation on its roof with a capacity of 250 kWp, which has enabled it to produce 493 MWh for self-consumption. Natural gas has been used mainly to produce domestic hot water and for the air conditioning of the facilities.

During 2024, the -30ºC refrigeration units, which used R-404A refrigerant gas, were replaced by others that are up to 60% more efficient and use CO_2 as refrigerant gas, with the double benefit that this entails. On the other hand, the plant's most important energy consumption has continued to be monitored using multivariable multiple regression models, which has made it possible to control energy consumption in real time and apply preventive and corrective measures.

The Getafe laboratory also has a solar photovoltaic installation with a capacity of 168 kWp, thanks to which it has produced 119 MWh since June 2024 for self-consumption. This building is in the process of obtaining the definitive BREEAM certificate, which guarantees its high energy efficiency.

Pharma Mar also has a fleet of leased vehicles. To estimate the fuel consumed, the mileage of users during the year was considered, as well as the actual consumption estimated by each vehicle's computer. In this sense, around 45% of the fleet vehicles had some type of hybridization.

The table below shows Pharma Mar's energy consumption in the last three years:

Energy consumption	2024	2023	2022
Fuel consumption from coal and coal products (MWh)	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	2,085	1,361	1,231
Fuel consumption from natural gas (MWh)	3,116	3,076	3,260
Fuel consumption from other fossil sources (MWh)	0	0	0
Consumption of acquired electricity, heat, steam and cooling from fossil fuel sources (MWh)	951	2,964	5,020
Total fossil energy consumption (MWh)	**6,152**	**7,401**	**9,510**
Share of fossil sources in total energy consumption (%)	54.6%	78.4%	99.3%
Fuel consumption from nuclear sources (MWh)	**0**	**0**	**0**
Share of consumption from nuclear sources in total energy consumption (%)	0	0	0
Fuel consumption from renewable sources (MWh)	0	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	4,566	1,966	68
Consumption of self-generated non-fuel renewable energy (MWh)	559	75	0
Total renewable energy consumption (MWh)	**5,125**	**2,041**	**68**
Share of renewable sources in total energy consumption (%)	45.4%	21.6%	0.7%
Total energy consumption (MWh)	**11,277**	**9,442**	**9,578**

NOTE: Phase I of the construction of the Sylentis laboratory was delivered in June 2024, which has had a significant impact on electricity consumption during that year.

E1-6: Gross scopes 1, 2, and 3 and total GHG emissions

As mentioned in previous sections, Pharma Mar has ambitious targets validated by SBTi for reducing its greenhouse gas (GHG) emissions in 2030 and 2050. These targets are based on calculating the carbon footprint using the methodology established by the Greenhouse Gas Protocol (GHG protocol), an internationally recognized standard that establishes standardized frameworks for measuring, managing and reporting companies' GHG emissions.

To calculate its carbon footprint, Pharma Mar accounts for 100% of emissions from activities over which it has operational control. The GHG emissions inventory was conducted for the three scopes:

- Scope 1: emissions from sources owned or controlled by the company. In Pharma Mar's case, these emissions correspond to natural gas consumption at the Colmenar Viejo laboratory, fuel consumed by fleet vehicles and refrigerant gas recharges.
- Scope 2: indirect emissions generated because of the consumption of electricity purchased from other companies that produce or control it. Pharma Mar's emissions in this scope correspond to electricity consumption at the Getafe laboratory and the subsidiaries' office buildings. Market-based and location-based emissions are included.

- Scope 3: indirect emissions not included in Scope 2 that occur in the organization's value chain, such as investments, transportation and distribution, purchases of goods and services, or employee commuting.

Pharma Mar's emissions in the last three years and the base year used to establish targets are as follows:

GHG emissions (tCO_2eq)	2021 (base year)	2024	2023	2022
Scope 1	**1,373**	**1,340**	**1,233**	**1,157**
Stationary	647	576	561	596
Mobile sources	561	491	325	326
Refrigerant gases	165	273	347	235
Scope 2 market-based	**1,237**	**247**	**740**	**1,291**
Scope 2 location-based	**1,259**	**1,497**	**1,359**	**1,314**
Total 1+2	**2,609**	**1,587**	**1,973**	**2,449**
Scope 3	**12,449**	**16,132**	**15,876**	**14,319**
Purchased goods and services	3,856	6,675	5,715	4,494
Capital Goods	7,159	7,969	8,549	7,943
Fuel and Energy-related activities	203	196	184	198
Upstream transportation and distribution	57	115	156	72
Waste generated in operations	94	45	38	48
Business travel	97	386	364	326
Employee commuting	728	773	776	853
Downstream transportation and distribution	254	31	96	385
Total emissions 1+2+3	**15,058**	**17,719**	**17,850**	**16,768**
Revenues (M€)**	**229.8**	**174.9**	**158.2**	**196.3**
Relative scope 1+2 emissions (tCO_2/M€)	11.35	9.08	12.48	12.47
Total relative emissions scope 1+2+3 (tCO_2/M€)	**65.52**	**101.34**	**112.86**	**85.36**

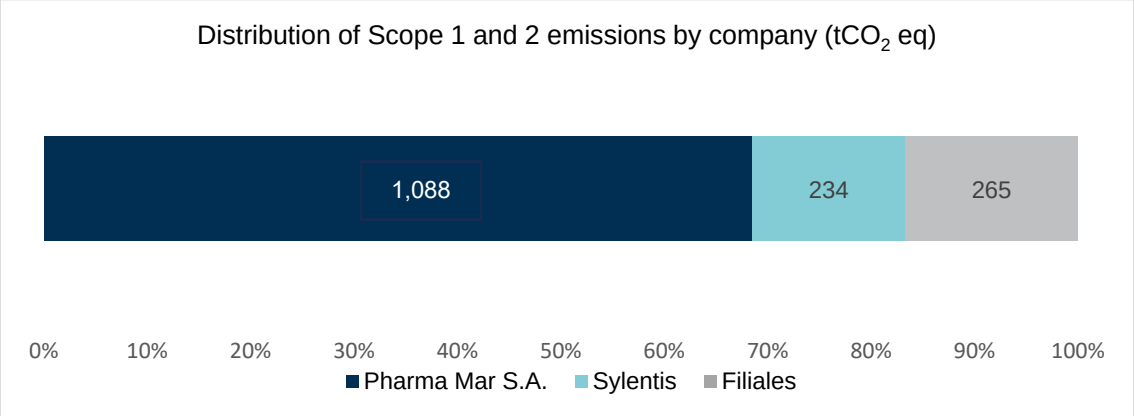
*Pharma Mar is not part of any emissions trading scheme.
**Revenue can be consulted in the Consolidated Revenue Statement of the Consolidated Financial Statements 2024.
NOTE: Adjustments have been made to the calculations made in previous years because of changes in perimeter, incorporation of additional emission sources or use of more precise emission factors.

Some of the values included for 2023 and 2022 differ from those published the previous year because of adjustments to the calculation methodology and the consideration of new sources of emissions, especially in relation to Scope 3 emissions. For example, within the category of purchased goods and services, new sources of emissions have been considered, such as clinical research organizations (CROs), on which Pharma Mar spends a considerable amount of money during the year.

During 2024, Scope 1 and 2 emissions amounted to 1,587 tCO_2eq, a reduction of 19.6% compared to 2023 and 39.2% compared to the base year, 2021. This decrease derives mainly from the increase in the proportion of electricity consumption with certified renewable origin.

Regarding Scope 3 emissions, a slight increase in emissions included in the purchased goods and services category was detected as a result of the strong investment made by the company during 2024 in clinical trials. The rest of the parameters remain in line with those of the previous year.

The distribution of Scope 1 and 2 emissions was as follows:



Pharma Mar S.A. accounted for 68.5% of Scope 1 and 2 emissions, while the partial opening of the Sylentis laboratory in mid-year resulted in an increase in this subsidiary's emissions to 14.8% of the total, mainly due to electricity consumption. Meanwhile, the subsidiaries generated 16.7% of Scope 1 and 2 emissions, mainly due to fuel consumption by the vehicle fleet.

E1-7: GHG removals and GHG mitigation projects financed through carbon credits

Pharma Mar, since it is not an emissions-intensive company, does not currently have GHG reduction or elimination targets for climate change mitigation projects financed by carbon credits. In the future, to meet its long-term emission reduction commitments, the company will analyze the possibility of offsetting those emissions that cannot be reduced.

E1-8: Internal carbon pricing

Pharma Mar, as a company with low levels of GHG emissions and not subject to the European emissions trading scheme, has not established an internal carbon pricing system.

European Taxonomy

In 2020, the European Parliament and the Council of the European Union adopted the Delegated Regulation on Taxonomy (EU 2020/852) with the aim of unifying and providing greater transparency in the reporting of companies on those economic activities that can be considered environmentally sustainable. The European Union has defined six environmental objectives and has determined which economic activities contribute to each of these objectives through the adoption of delegated regulations.

In this section, the portion of the Group's turnover, capital expenditures (CapEx) and operating expenses (OpEx) that are associated with the eligible economic activities according to the taxonomy will be presented, as well as the economic activities thatmay be aligned with the taxonomy in relation to these same objectives.

Pharma Mar's business units

Pharma Mar's main activities are focused on:

- Research and Development of antitumor drugs of marine origin.
- Manufacture and marketing of antitumor drugs.
- Manufacture and marketing (to its partners/licensees) of active pharmaceutical ingredients.
- Research and development of ophthalmology-related drugs based on RNA interference technology.

Eligibility

Taxonomically eligible activities are those economic activities described in the corresponding Delegated Regulation. In 2024, Pharma Mar identified and reported the taxonomically eligible activities corresponding to the six environmental objectives.

The principal economic activities of the Group are the manufacture of medicinal products and the manufacture of active pharmaceutical ingredients. Both economic activities are described in Annex III of Delegated Regulation 2023/2486, which complements the Taxonomy Regulation (EU) 2020/852 of the European Parliament and are therefore eligible activities for the taxonomy. This Annex contains the technical selection criteria for determining under which conditions an economic activity shall be considered as making a substantial contribution to pollution prevention and control (PPC code) and for determining whether such economic activity causes significant harm to any of the other environmental objectives.

Main business activity for Pharma Mar	Description
PPC 1.1: Manufacture of active pharmaceutical ingredients (APIs) or active substances	Manufacture and sale to Pharma Mar's partners/licensees of the active pharmaceutical ingredients, or intermediates, of the company's proprietary products so that, once they have been vialized, they can be marketed by partners/licensees as finished products (drugs) in their respective territories
PPC 1.2: Drug manufacturing	Manufacture of drugs for use in oncology

Additionally, all other taxonomically eligible economic activities listed in Delegated Regulations 2021/2139, 2023/2485 and 2023/2486 (supplementing the Taxonomy Regulation (EU) 2020/852) have been examined based on activities and investments as a pharmaceutical group. After a thorough examination involving all relevant divisions and corporate functions, it has been concluded that a series of activities have been carried out which, while not part of the company's core business, can be classified as eligible. To determine the activities that may be considered environmentally sustainable, Pharma Mar has primarily referenced industry practices in this field. As a result of this analysis, the following eligible activities have been identified in accordance with the climate change mitigation objective (CCM code) and the transition to a circular economy (CE code).

Cross-cutting economic activity for Pharma Mar	Description
CCM 7.2 / CE 3.2: Renovation of existing buildings	The renovation/remodeling of the building was carried out on a two-story industrial building with a constructed area of 9,048.79 m^2, which, upon completion, will provide the necessary infrastructure for various functions, from offices to production areas, with the installation of photovoltaic solar panels on the roof. In addition, the exterior areas include green spaces, roads, parking lots, and loading and waste areas.
CCM 7.6: Installation, maintenance and repair of renewable energy technology	Installation and commissioning of 105 photovoltaic solar panels on a pitched roof.
CCM 9.3: Professional services related to the energy efficiency of buildings	Monitoring and analysis of energy consumption for optimization purposes

Alignment

For the year ending December 31, 2024, considering the implementation requirements contained in Delegated Regulation 2023/2486, alignment is to be assessed in relation to the economic activities linked to each of the six environmental objectives.

Pharma Mar, after identifying eligible economic activities, has proceeded to assess whether those activities are aligned with the European taxonomy, following the three conditions required for alignment: i) Substantial contribution to one of the six objectives defined in the Taxonomy; ii) Do not cause significant harm to the other objectives (DNSH); and iii) Compliance with minimum thresholds regarding human and consumer rights, anti-corruption and bribery, taxation and fair competition (minimum social safeguards).

In relation to point "ii)", DNSH, for the case of PPC 1.1 and PPC 1.2 activities, the criteria established according to Annex III of Delegated Regulation 2023/2486 to ensure that no significant harm is caused to the rest of the environmental objectives are not met.

Regarding activities CCM 7.2, CCM 7.6 and CCM 9.3, compliance with the DNSH criterion of Climate Change Adaptation has been studied to determine their possible alignment under the parameters established in Annex I of the Delegated Regulation 2021/2039.

Consequently, in line with Appendix A of Delegated Regulation 2021/2139, Pharma Mar has screened the physical climate risks that may affect its production facilities in Colmenar Viejo and Getafe and its warehouses, also located in the Region of Madrid, using the table in Appendix A as a basis. The details and conclusions of this study are detailed in section E1, "Impact, risk and opportunity management", of this Report.

Finally, regarding item "iii)", related to compliance with minimum social safeguards, Pharma Mar conducts all its activities in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, has processes in place to prevent corruption, treats governance and tax

compliance as important elements of oversight, and promotes fair competition. It also has a Code of Conduct for its supply chain.

In addition, during 2024 the company has prepared a Human Rights Due Diligence Report, conducted in accordance with the guidelines of the OECD Due Diligence Guidance for Responsible Business Conduct, in the framework of which the main impacts that the company could have on human rights have been identified, categorized and weighted. The Board of Directors approved the Human Rights Policy.

In addition, the Group has not received any convictions or sanctions for human rights violations, corruption, bribery, tax evasion or failure to comply with competition laws.

The analysis carried out for each of the activities that could be aligned according to the taxonomy criteria is detailed below:

PPC 1.1 Manufacture of active pharmaceutical ingredients (APIs) or active substances

- Compliance with the criterion of substantial contribution to pollution prevention and control: the principles produced by Pharma Mar meet the technical criteria established in Annex III of Delegated Regulation 2023/2486.
- Compliance with the DNSH: it has not been possible to demonstrate compliance with the criteria established to determine that it does not cause significant harm to the rest of the environmental objectives. The company continues to work to adapt its production processes to these requirements.

PPC 1.2 Drug manufacturing

- Compliance with the criterion of substantial contribution to pollution prevention and control: Pharma Mar's products meet the technical criteria established in Annex III of Delegated Regulation 2023/2486.
- Compliance with the DNSH: it has not been possible to demonstrate compliance with the criteria established to determine that it does not cause significant harm to the rest of the environmental objectives. The company continues to work to adapt its production processes to these requirements.

MCC 7.2 Renovation of existing buildings

- Compliance with the criterion of substantial contribution to climate change mitigation: the activity described by Pharma Mar under this heading is included in Annex I of the EU Delegated Regulation 2021/2139. In Spain, these requirements are embodied in the latest version of the basic document HE: Energy Saving, of the Technical Building Code (CTE).

  Given the characteristics of the industrial type building, and also given the temperature conditions of the building, given its production needs, the CTE does not require this type of building to comply with a given limit of primary energy consumption (section HE 0). In this sense, it has been considered that, in this particular case, it is not applicable to evaluate these consumption limits in order to contrast compliance with this criterion.

  Consequently, to demonstrate an adequate performance of the building in terms of its energy efficiency, the energy efficiency conditions of the building envelope (section HE 1) have been evaluated. For this purpose, the thermal transmittance values of the different construction elements (insulating panels, foam roofs, windows, doors, etc.) installed in the different parts of the envelope (roof, façade,

openings and floors) have been evaluated. It has been verified that these values do not exceed the limits established in section HE 1, for the Madrid climate zone (climate zone D).

Regarding the conditions of thermal installations (Section HE 2), the provisions of the Regulation on Thermal Installations in Buildings (RITE) are met concerning ventilation, heating, and air conditioning systems. These systems provide adequate performance regulation, ensuring thermal comfort for occupants.

In relation to lighting conditions (section HE 3), the workplaces are adequately illuminated by high efficiency and low luminance luminaires such as LEDs. It is pointed out that the efficiency obtained is higher than that established in section HE 3.

Additionally, in accordance with the requirements of the CTE for this type of industrial buildings, the facility complies with Sections HE 4, HE 5, and HE 6. Specifically, at least 60% of the annual domestic hot water (DHW) demand is covered by renewable energy through the use of heat pumps; the photovoltaic panel system has a capacity of 168 kWp, exceeding the minimum capacity required by the regulation; and initiatives have been implemented to promote shared vehicle rentals, including the installation of five charging spaces for electric vehicles, which surpasses the 3% minimum of total parking spaces stipulated by the CTE.

- Compliance with the DNSH: it has not been possible to justify compliance with the DNSH criteria for the rest of the objectives.

MCC 7.6. Installation, maintenance and repair of renewable energy technologies: Installation and commissioning of 105 photovoltaic panels.

- Compliance with the criterion of substantial contribution to climate change mitigation: the activity described by Pharma Mar under this heading is included in Annex I of the EU Delegated Regulation 2021/2139, in section "a)" of the substantial contribution criteria: "installation, maintenance and repair of solar photovoltaic systems and auxiliary technical equipment", and therefore contributes substantially to the objective of climate change mitigation.

- Compliance with the DNSH: this activity does not require DNSH analysis for the other objectives apart from climate change adaptation, previously considered.

CCM 9.3: Professional services related to the energy efficiency of buildings

- Compliance with the criterion of substantial contribution to climate change mitigation: the activity described by Pharma Mar under this heading is included in Annex I of the EU Delegated Regulation 2021/2139, in section "c)" of the technical criteria for substantial contribution: "energy management services".
- Compliance with the DNSH: this activity does not require DNSH analysis for the other objectives apart from climate change adaptation, previously considered.

Calculation of indicators

KPI Turnover

The turnover eligibility KPI is the result of dividing the eligible revenue according to the taxonomy (numerator) by the Group's total turnover (denominator). Turnover, as defined

by the taxonomy, corresponds to revenue, in accordance with International Accounting Standard (IAS) 1, paragraph 82(a).

In fiscal year 2024, this numerator (eligible revenues) contains the revenues from those taxonomically eligible activities that have been identified among those developed and that are revenue generating, which correspond to activities 1.1. and 1.2. of the pollution prevention and control objective.

Eligible revenues were calculated as follows: eligible revenues from activity 1.1 consist of all revenues by Pharma Mar of intermediate products or active pharmaceutical ingredients (APIs) to its partners/licensees so that the latter can sell them and market them in the licensed territories. Eligible revenues from activity 1.2 consist of revenues of finished products made by Pharma Mar or its affiliates to third parties, net of any discounts and/or returns.

Both the revenues of API and pharmaceutical products have their own separate accounting codes/accounts, so that the identification of the volume of revenue for each of the concepts is immediate and no additional analysis is necessary. 100% of the revenues recorded in the respective accounting codes are considered eligible.

The denominator of the Turnover KPI corresponds in full to the amount of consolidated revenues in Pharma Mar's consolidated financial statements, calculated in accordance with International Accounting Standard (IAS) 1, paragraph 82.a. The Group's turnover is included in the consolidated revenue statement in the 2024 financial statements under "Revenue from contracts with customers".

The difference between the denominator of the turnover KPI (174.9 thousand euros) and the eligible turnover (66.54 thousand euros) is due to the different nature of this income, since the latter is not related to the production activity but comes from royalties and intellectual property licensing agreements.

On the other hand, the turnover alignment KPI is the result of dividing the Group's eligible and aligned revenues according to the taxonomy (numerator) by the Group's total turnover (denominator). Thus, the KPI for eligible revenue in the current fiscal year is 38.1%, and aligned revenue is 0%. In the last fiscal year, 2023, it was not analyzed whether the activities mentioned in the previous paragraph were aligned with the taxonomy, so the alignment KPI was equal to 0, while the eligibility KPI was 44.7%.

KPI

The CapEx eligibility KPI is the result of dividing the eligible CapEx according to the taxonomy (numerator) by the Group's total CapEx (denominator). The definition of CapEx established by the Taxonomy in Annex I of the Delegated Regulation 2021/2178 has been taken into account.

In particular, the calculation of the eligible CapEx (numerator) has been made by adding the amount of the acquisitions incorporated into the assets, derived from the taxonomically eligible activities, both main and transversal, mentioned at the beginning of this chapter.

In the case of the Group's main economic activities, the eligible CapEx amounts have been calculated by analyzing and selecting the assets incorporated in the current year

as technical equipment and facilities directly related to the production activity of either API or pharmaceutical products, as well as patents or activated R&D related to such activities. If these assets could be used for both production processes, the amounts are computed only once within one of the activities to avoid double counting.

In the case of cross-cutting economic activities, the eligible CapEx amounts have been obtained from the analysis of all additions to assets in the current fiscal year, carried out by each department involved in the activity. After the analysis, it has been determined which of these incorporated assets are directly related to the taxonomic activities. If any of these assets were related to more than one transversal economic activity, they will only be considered in one of them.

With respect to the "renovation of existing buildings" activity, although the activity is associated with two different environmental objectives (climate change mitigation and transition to a circular economy) the eligibility figures associated with the CapEx of this activity have been computed only once to obtain the numerator of the alignment KPI, thus avoiding any double counting.

In turn, the denominator of the CapEx KPI (Total CapEx) includes all additions for the year in both intangible fixed assets and tangible fixed assets and assets for which the right of use is held, before amortization, depreciation or impairment, also excluding changes in fair value. The total CapEx can be reconciled in Note 6 Tangible Fixed Assets Table Additions/Cost column, Note 8 Intangible Assets Table Intangible Fixed Assets Additions/Cost column and Note 9 Right of Use Assets Table Right of Use by type of asset Additions/Cost column, of the Consolidated Financial Statements 2024.

On the other hand, the alignment KPI is the result of dividing the CapEx eligible and aligned according to the taxonomy (numerator) by the Group's total CapEx (denominator). Thus, in fiscal year 2024, the activities identified as eligible as defined in Delegated Regulation 2021/2139 that are considered aligned with the taxonomy amount to 0%.

Thus, the eligible CapEx KPI in the current fiscal year is equal to 5.8%, and the aligned CapEx KPI is equal to 0%. Last year, 2023, the eligible CapEx KPI was 52.5% and the aligned KPI was 0%.

KPI OpEx

The OpEx eligibility KPI is the result of dividing the taxonomy eligible OpEx (numerator) by the Group's total OpEx (denominator).

The numerator and denominator of this KPI were calculated considering the type of expenses that make up OpEx, as defined by EU Delegated Regulation 2178/2021 of July 6. In particular, the OpEx is that directly and exclusively related to:

i) Research and development expenses not capitalized (Note 24 of the Consolidated Financial Statements 2024).
ii) The volume of non-capitalized leases determined in accordance with IFRS 16 and which includes expenses for short-term leases and low value leases (Note 9 of the Consolidated Financial Statements 2024).
iii) Maintenance, repair and other expenses provided they are directly related to the daily use of the facilities, plant and equipment used in the economic

activities and have been determined on the basis of the maintenance and repair costs allocated to the internal cost centers.

In particular, in relation to the eligible OpEx (numerator), an analysis of the items to be considered in the numerator has been carried out. It is concluded that the eligible OpEx comes from both the Group's core and cross-cutting economic activities.

With respect to the main economic activities, the amounts of eligible OpEx have been obtained through internal analysis of the departments involved in the activity, which have identified the operating expenses linked to the main economic activities eligible according to the taxonomy, as well as non-capitalized R&D expenses or maintenance expenses of those assets that could be related to both main activities. Double counting of any OpEx has been avoided.

With respect to the Group's transversal economic activities, the eligible OpEx amounts have been obtained through internal analysis of the different departments involved, which have identified the operating expenses linked to the eligible activities according to the taxonomy. Double counting of any OpEx has been avoided.

Likewise, the OpEx alignment KPI is the result of dividing the eligible and aligned OpEx according to the taxonomy (numerator) by the Group's total OpEx (denominator). Thus, in fiscal year 2024 the activities identified as eligible as defined in Delegated Regulation 2021/2139 that are aligned with the taxonomy amount to zero.

Thus, the eligible OpEx KPI in the current fiscal year is 0.1%, and the aligned KPI is 0%. In the last fiscal year, 2023, the eligible CapEx KPI was 0.2% and the aligned one was 0%. It should be noted that the figures for this KPI are limited, given the great relevance for the Group of expenses allocated to R&D activities, which are generally not related to the production/manufacture of an active ingredient or drug.

The reporting tables for revenues, CapEx and OpEx eligibility figures, which follow the template model of Annex II of Delegated Regulation 2021/2178 of July 6 (as amended by Annex V of Delegated Regulation 2023/2486), are reported in Annex I, paragraph 3, of this Report.

ESRS E2: POLLUTION

Impact, risk and opportunity management

ESRS 2 IRO-1: Description of processes to identify and assess significant pollution-related impacts, risks and opportunities

The process for analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this Report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
E2 Microplastics		Downstream	Marketing and sales	Planet, employees, suppliers, patients	Microplastics generated in product distribution and application impact human health
E2 Microplastics		Downstream	Marketing and sales	Planet	Microplastics generated in the distribution and application of products impact the environment
E2 Air pollution		Upstream/own operations/downstream	Pharmaceutical development, production	Planet, employees, suppliers, patients	Impact of air pollution on humans
E2 Air pollution		Upstream	Pharmaceutical development, production	Planet	Air pollution from supplier sourcing and upstream manufacturing
E2 Air pollution		Upstream/downstream	Phases of transport of marine samples and medicines	Planet	Air pollution from transport of products (air, road, sea, rail)
E2 Soil pollution		Own operations	Pharmaceutical development, production	Planet	Soil pollution due to transportation
E2 Soil pollution		Downstream	Pharmaceutical development, production	Planet	Soil pollution due to manufacturing
E2 Substances of concern		Upstream	Pharmaceutical development, production	Employees	Substance sourcing affects own employees and those in the value chain
E2 Substances of concern		Upstream/own operations	Drug discovery, pharmaceutical development, preclinical trials, clinical trials and production	Employees	Hazardous substances could harm employees handling them
E2 Substances of concern		Upstream/downstream	Pharmaceutical development, production	Planet	Substances of concern have an impact on the environment.
E2 Substances of very high concern		Upstream/downstream	Pharmaceutical development, production	Employees	Supply of substances of concern affects suppliers' employees
E2 Substances of very high concern		Own operations	Drug discovery, pharmaceutical development, preclinical trials and production	Planet, employees, suppliers, patients	Employees handling hazardous substances are exposed to a risk of being affected by such substances.
E2 Substances of very high concern		Upstream	Drug discovery, pharmaceutical development, preclinical trials and production	Planet	Supply of substances of concern affects suppliers' employees
E2 Substances of very high concern		Own operations	Drug discovery, pharmaceutical development, preclinical trials and production	Planet	Hazardous pollution at the manufacturing site with environmental impact

Relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
E2 Substances of concern		Upstream / own operations / downstream	Marine shipment and sample collection, pharmaceutical development, preclinical trials, production and clinical trials	Shareholders, employees, suppliers, authorities	Legal and litigation risk due to human exposure to substances of very high concern.
E2 Substances of very high concern		Upstream / own operations / downstream	Pharmaceutical development, preclinical trials, production and clinical trials	Shareholders, suppliers, authorities	Risk of regulatory extension for Substances of Very High Concern
E2 Substances of very high concern		Upstream / own operations / downstream	Pharmaceutical development, preclinical trials, production and clinical trials	Employees, suppliers	Reputational risk from human exposure to substances of very high concern
E2 Substances of very high concern		Upstream / own operations / downstream	Marine shipping and sample collection, pharmaceutical development, preclinical trials, production and clinical trials	Shareholders, employees, suppliers	Legal and litigation risk due to human exposure to substances of very high concern.
E2 Air pollution		Own operations / downstream	Pharmaceutical development and industrial production	Planet, authorities	Risk of fines and production costs due to lack of management of atmospheric pollutants
E2 Air pollution		Own operations / downstream	Pharmaceutical development and industrial production	Planet	Opportunity of Green Chemistry implementation
E2 Air pollution		Own operations/ downstream	Pharmaceutical development and industrial production	Planet	Risk of modification of environmental legislation involving more restrictive emission values or limitations on the use of certain substances.
E2 Water pollution		Own operations / downstream	Pharmaceutical development and industrial production	Planet, shareholders, authorities	Risk of improper management of hazardous and regulated medical waste
E2 Air pollution		Own operations / downstream	Pharmaceutical development and industrial production	Planet, shareholders, authorities	Risk of fines and costs due to atmospheric pollution
E2 Water pollution		Own operations	Pharmaceutical development	Planet	Water reuse opportunity
E2 Soil pollution		Own operations / downstream	Pharmaceutical development and industrial production	Planet, authorities	Risk of improper management of hazardous and regulated medical waste

E2-1: Policies related to pollution

Pharma Mar integrates environmental management into its operations through policies and practices that ensure the sustainability of its processes in the different stages of its business model. The company's Sustainability Policy includes a commitment to "protect, conserve and make rational use of resources, minimizing environmental impact and paying special attention to marine resources and climate change risks". In addition, the company has an Integrated Quality, Prevention and Environment Policy, which stresses the need to "scrupulously respect all legal requirements that apply to Pharma Mar's activities, whether in drug manufacturing, environmental management or employee health and safety". The company is currently preparing a specific environmental policy detailing its commitments and principles relating to pollution, in line with the impacts, risks and opportunities identified.

In addition, the Oncology Unit's facilities have been ISO 14001 certified for environmental management for more than 15 years, guaranteeing compliance with applicable environmental legislation at each stage associated with drug production.

In addition, the company's facilities have an Integrated Environmental Authorization (IEA) that ensures a comprehensive approach to environmental protection and establishes specific conditions to minimize environmental impact and meet demanding sustainability standards, thus controlling all aspects that could affect air, water and soil, among other factors.

Pharma Mar has not been sanctioned for violations of environmental laws and has not detected any environmental incidents in recent years.

E2-2: Actions and resources related to pollution

Pharma Mar's facilities adhere to the principle of avoiding pollution, with the aim of preventing it at source before it becomes necessary to minimize its effects. The company uses the best available techniques in its production process, involving the application of the most economically and technically feasible techniques to achieve an optimum level of environmental protection.

Atmospheric emissions at the Oncology Unit are produced because of combustion in the two gas boilers used for air conditioning, the steam boiler and the process units used to treat emissions from R&D and production activities. Pharma Mar is required by the IEA to measure the following parameters: Total Organic Carbon (TOC), NO_X and CO. The measures implemented to reduce air pollution, in line with sustainability and environmental policies, include the following:

- Installation of a collection system using HEPA filters (particulate matter) and carbon filters.
- Use of scrubbing equipment.
- Exhaustive maintenance of combustion boilers with combustion checks and adjustments.
- Use of environmentally sustainable chemicals (green chemistry).

Soil pollution is prevented through a strategy based on the design and waterproofing of the facilities, both in the production and R&D areas. Periodic inspections of the pavement and maintenance operations are carried out to ensure that the soil is not affected. There are also specific protocols in the event of accidental spills to minimize potential impacts on the environment and, in the event of incidents, they are analyzed, their impact is evaluated and the appropriate corrective measures are taken as established in the IEA.

In relation **to water pollution**, all discharges into the Integrated Sanitation System (ISS) must comply with the maximum instantaneous values indicated in the IEA in relation to the conditions for wastewater discharge. The Oncology Unit facilities have a discharge point to which two control points derive: one from sanitary, domestic and rainwater, and the other from industrial process wastewater generated in laboratories, R&D, production and quality areas, maintenance and warehouses, as well as water from possible spills in the technical area of the plant and in the chemical product storage area. Water from the

first control point is discharged directly to the ISS, while industrial water undergoes pH adjustment treatment and is discharged to the ISS once the discharge parameters established by the IEA are met. In addition, part of the water that is discarded from the purified water plant and other secondary operations is reused.

All actions aimed at reducing air, soil and water pollution are intended to reduce the company's environmental impact and comply with the legal requirements set by the IEA.

Section E3-4 of ESRS E3 of this Report details Pharma Mar's total water consumption and the volume of water reused.

Metrics and targets

E2-3: Targets related to pollution

The goals set forth in the Sustainability Plan sometimes do not coincide with the material issues found in the IROs, as the latter are general issues analyzed prior to risk or impact mitigation or reduction measures. The actions proposed are aimed at making efficient use of natural resources and materials used in production processes, as well as the use of less toxic substances.

In ESRS 2, in the "metrics and targets" section, the content of Pharma Mar's 2024-2026 Sustainability Plan is described. Among the objectives of this plan related to pollution reduction that the company has voluntarily established are the following:

- Replacement of the plastic used in the kits of marketed drugs.
- Increase the reuse of laboratory containers.
- Reduce laboratory packaging waste.
- Replace organic solvents used in chemical processes with green or biodegradable solvents.

Since no significant emissions of any of the pollutants included in Annex II of Regulation (EC) No 166/2006 of the European Parliament have been detected, no specific objectives directly related to impacts, risks and opportunities have been established. However, as mentioned above, through its IEA, Pharma Mar has limited emissions of Total Organic Carbon (TOC), NO_X and CO, for which it performs the relevant measurements to ensure that the established maximum thresholds are not exceeded. Other substances classified as very high concern or concer are also used, since their use is indispensable for R&D or production activities.

Details of the contents of the 2024-2026 Sustainability Plan are available on Pharma Mar's website: www.pharmamar.com

E2-4: Pollution of air, water and soil

Pharma Mar does not emit into the atmosphere, water or soil any of the pollutants included in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council above the thresholds established by this regulation beyond the greenhouse gas emissions included in ESRS E1. The company does not use or generate microplastics in its production activities.

E2-5: Substances of concern and substances of very high concern

Regarding this disclosure requirement, Pharma Mar consumed slightly more than 16 tons of substances such as methanol, dichloromethane, hexane and heptane in its production activities, with no significant consumption of other compounds. Workforce who are exposed to these substances have the necessary training and the appropriate personal protection equipment for handling them, with the corresponding preventive measures implemented in accordance with the conducted risk assessment.

Pharma Mar monitors the substances used in its operations, analyzing the quantities used and establishing systems to control the pollutants released in the various processes to minimize their impact on health and the environment.

To this end, Pharma Mar complies with regulations on discharges and emissions, meeting the regulatory parameters established in its IEA and reporting information in accordance with the regulations in force (e-PRTR), which is publicly available at www.prtr-es.es.

ESRS E3: WATER AND MARINE RESOURCES

Impact, risk and opportunity management

ESRS 2 IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The process of analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this Report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
E3 Water	E3 Water discharges	Own operations	Pharmaceutical development, production, clinical trials	Planet	Water discharge management in operations/manufacturing
E3 Water	E3 Water consumption	Upstream / downstream	All phases	Planet	Water consumption by suppliers
E3 Water	E3 Water consumption	Own operations	All phases	Planet	Positive impact of wastewater reuse

Relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
E3 Marine resources	E3 Extraction and use of marine resources	Upstream	Marine expeditions and drug discovery	Planet, Shareholders	Opportunity to extract relevant marine resources
E3 Water	E3 Water withdrawals	Upstream / own operations	Pharmaceutical development and industrial production	Planet, shareholders, business partners	Risk of over-abstraction of water resources in water-scarce areas
E3 Water	E3 Water consumption	Upstream / own operations	All phases	Planet, shareholders	Risk of lack of consumption management in water-stressed areas
E3 Water	E3 Water discharges	Upstream / downstream	Outsourced phases	Planet, suppliers, shareholders	Reputational risk from contracting suppliers with poor wastewater management practices
E3 Water	E3 Water discharges	Upstream / own operations / downstream	All phases	Planet, shareholders	Legal risk due to inadequate management of wastewater discharges and suppliers with deficient processes

E3-1: Policies related to water and marine resources

For Pharma Mar, water is an essential and scarce natural resource; therefore, the company makes rational use of it and is committed, through its Sustainability Policy, to "protect, conserve and make rational use of resources, minimizing environmental impact and paying special attention to marine resources and the risks of climate change". In the coming years, as stated in the Sustainability Plan 2024 - 2026, the company will develop and consolidate this commitment through the development of a Water Resources Policy, which will be aligned with the impacts, risks and opportunities mentioned in this section.

Pharma Mar's only interaction with the marine environment is to extract samples of marine invertebrates, from which it subsequently conducts laboratory research to discover pharmacologically useful molecules. This sample extraction is carried out in compliance with international protocols and under strict conditions that minimize the impact on the marine environment. The procedures and protocols applied for sample collection are detailed in the "Strategy" section of the ESRS E4.

E3-2: Actions and resources related to water and marine resources

Pharma Mar requires the use of water at various stages of its production cycle, being used as the main ingredient in some of its medicines, in the cleaning and disinfection of equipment or for use in its facilities.

The company has systems that allow the reuse of process water as sanitary water after filtering and elimination of chemical components, optimizing its use. Thanks to this recovery system, it is estimated that the company reuses an average of 9 m^3 per day in the Colmenar Viejo laboratory[3].

Metrics and targets

E3-3: Targets related to water and marine resources

The company works to optimize consumption and has water meters that enable it to continuously monitor water flows at its facilities, detect significant deviations from normal consumption patterns, and resolve any incidents that may arise early. Pharma Mar has not set specific targets for reducing water consumption.

E3-4: Water consumption

The table below shows Pharma Mar's total water consumption in the last three years. All the water consumed comes from the municipal water supply network and is measured using properly calibrated water meters.

Water consumption	2024	2023	2022
Total municipal water consumption (m^3)	10,996	9,047	8,935
Water consumption in areas at water risk (m^3)	10,996	9,047	8,935
Consumption of recycled and reused water (m^3)	3,501	3,668	3,405
Relative water consumption (m^3/M€)	62.89	57.20	45.51
Water discharges (m^3)	3,304	3,711	-

NOTE: Phase I of construction of the Sylentis laboratory was completed in June 2024, which significantly affects water consumption in that year, although the laboratory is expected to be fully operational during 2026. The data do not include the water consumption of the subsidiaries, as they are located in leased buildings, and it is not possible to segregate their consumption.

[3] Pharma Mar's facilities in Colmenar Viejo and Getafe are located in areas of high-water stress according to the World Resources Institute's Water Risk Atlas. Subsidiaries in other countries are not considered since they are office buildings with low consumption.

ESRS E4: BIODIVERSITY AND ECOSYSTEMS

Strategy

E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Marine biodiversity is a fundamental pillar of Pharma Mar's business model. The company explores areas of high biodiversity, from which it obtains samples of marine invertebrates to isolate active compounds with potential activity against tumor cells. Biodiversity offers an inexhaustible source of genetic and chemical variability, which is essential for research and development of new cancer drugs.

However, Pharma Mar's interaction with biodiversity is limited exclusively to sample collection expeditions, since, once obtained, the molecules of interest are chemically synthesized in the laboratory. This allows access to the compounds without the need to continually resort to the natural organisms that produce them, thus ensuring the protection and conservation of marine biodiversity.

Although marine biodiversity plays a key role in the company's strategy and business model, potential impacts on it are minimal. For this reason, Pharma Mar has not considered it necessary, to date, to develop a specific biodiversity-related transition plan.

SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model

Pharma Mar interacts with marine biodiversity through search and sampling expeditions, mainly in the Pacific and Indo-Pacific regions, which are known for their extraordinary genetic diversity. These activities are carried out under strict research agreements with the authorities of the countries involved, respecting the designated areas and ensuring compliance with local regulations. In addition, they are often carried out in close collaboration with local universities and research centers, promoting scientific exchange and sustainable development.

Pharma Mar carries out the collection of marine organisms in strict compliance with international conservation agreement, including the following:

- Rio Declaration on Environment and Development, which establishes principles for global sustainability.
- The United Nations Convention on Biological Diversity and the Nagoya Protocol, which regulate access to genetic resources and ensure fair and equitable sharing of the benefits derived from their use.
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), which protects species at risk by controlling their trade and harvest.

The company has also signed the Biodiversity Pact, reaffirming its commitment to a sustainable economic development model that respects the environment. In all its

collection processes, Pharma Mar strictly follows the guidelines of CITES and the Red List of Threatened Species, ensuring that samples are not obtained from protected or endangered species.

The sampling process is highly specialized, manual and minimally invasive. It is carried out by marine biologists and professional divers with specific training. These experts are responsible for the selection, labeling and packaging of the samples for subsequent transport, ensuring minimal impact on biodiversity. To this end, the company applies strict sustainability measures, including:

- Selective collection of species with potential for the discovery of new chemical entities, performed exclusively by qualified workforce.
- Elimination of invasive mechanical systems, such as trawls or dredges, to prevent damage to the marine ecosystem.
- Use of a marine survey robot, operated from the surface by means of an umbilical cord, which provides real-time images of the seabed, optimizing the selection of sampling zones and reducing human interaction with the ecosystem.
- Controlled extraction, limiting extraction to a maximum of 200 grams per marine organism, guaranteeing the preservation of the species and their environment.

This approach enables Pharma Mar to advance biomedical research in a responsible manner, ensuring the sustainability of its activities and contributing to the conservation of marine biodiversity.

Pharma Mar's research contracts usually include agreements with local universities to train teaching and research workforce, promoting the transfer of knowledge and technology to the countries where exploration is being carried out.

In 2024, Pharma Mar conducted ten expeditions in five countries: East Timor, Vietnam, Madagascar, Comoros and Papua New Guinea. These explorations were carried out in areas of high marine biodiversity, some of them in national parks, reaffirming the company's commitment to ecosystem conservation and sustainable development.

As for the potential impact of its facilities on biodiversity, Pharma Mar's laboratories and the headquarters of its subsidiaries are located on urban land or in office buildings, which means that their impact on natural ecosystems is practically nonexistent.

Impact, risk and opportunity management

ESRS 2 IRO-1: Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

The process of analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this Report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
E4 Factors with a direct impact on biodiversity loss	E4 Direct operation	Upstream / downstream	All phases	Planet	Negative impact of biodiversity loss due to direct harvesting of forest products for use in packaging
E4 Factors with a direct impact on biodiversity loss	E4 Climate change	Upstream / own operations / downstream	All phases	Planet	Negative impact of GHG emissions on biodiversity
E4 Factors with a direct impact on biodiversity loss	E4 Climate change	Upstream / own operations / downstream	All phases	Planet	GHG emissions along the value chain and own operations lead to biodiversity loss

Relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
E4 Factors with a direct impact on biodiversity loss	E4 Pollution	Own operations	All phases	Authorities	Environmental non-compliance risk and biodiversity management for permits
E4 Factors with a direct impact on biodiversity loss	E4 Direct operation	Upstream / own operations	Marine expeditions and drug discovery	Planet	Loss of marine biodiversity

Section E4-1 describes how Pharma Mar's business model depends to a large extent on biodiversity at the beginning of its value chain, while the preceding section describes how expeditions are carried out in accordance with the strictest international protocols and agreements for biodiversity conservation and the generation of shared resources with affected groups.

E4-2: Policies related to biodiversity and ecosystems

As a demonstration of the importance Pharma Mar places on biodiversity, the Board of Directors approved the Biodiversity Policy in 2024. This policy, applicable to the entire Group and all its subsidiaries, aims to establish the framework for action regarding biodiversity impact, as well as to define commitments to maximize positive impacts and minimize negative ones that the company's activities may have on biodiversity. This is always carried out under the principle of developing a sustainable activity that does not result in net biodiversity loss.

Among the commitments included in the policy, the following stand out: applying the mitigation hierarchy principle (avoid, minimize, restore, and, as a last resort, compensate) for new projects; avoiding the development of facilities in areas considered to have high ecological value; preventing negative impacts such as deforestation; ensuring that expeditions and marine environment work are conducted in accordance with established contracts and the highest standards of best practices; promoting proper biodiversity management throughout the supply chain; and fostering knowledge and awareness of biodiversity within the company’s value chain.

Pharma Mar's Biodiversity Policy is available at www.pharmamar.com.

E4-3: Actions and resources related to biodiversity and ecosystems

As described in section E4-1, the impact of Pharma Mar's activities on biodiversity is limited to interaction with the marine environment during expeditions to search for samples to obtain active compounds for the development of anti-tumor drugs. These expeditions are always conducted in accordance with international protocols and after signing research contracts with local authorities. Extractions are carried out by highly specialized workforce and is performed under minimally invasive conditions, ensuring low impact on marine ecosystems.

Metrics and targets

E4-4: Targets related to biodiversity and ecosystems

Pharma Mar conducts the search for marine invertebrate samples following the strictest international protocols, always under research agreements with governments, research institutions, and universities in the countries where it operates. This practice ensures minimal impact on biodiversity and marine ecosystems. As a result, the company does not set specific targets in this regard, as its activities are already aligned with the highest sustainability standards.

E4-5: Impact metrics related to biodiversity and ecosystems change

Pharma Mar has not established specific parameters related to biodiversity in its action plans beyond conducting its activities in accordance with international protocols and laws and research contracts with the governments of the countries in which it operates.

ESRS E5: RESOURCE USE AND CIRCULAR ECONOMY

Impact, risk and opportunity management

ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The process for analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this Report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
E5 Waste	-	Upstream / downstream	Pharmaceutical development, production	Planet	Soil pollution due to supplier sourcing and manufacturing
E5 Resource outflows related to products and services	-	Upstream / own operations / downstream	All phases	Planet	Use of raw materials in products and packaging
E5 Resource outflows related to products and services	-	Upstream / own operations / downstream	All phases	Planet	Use of recycled raw materials for packaging
E5 Waste	-	Own operations	All phases	Planet	Research and manufacturing generate chemical and hazardous wastes
E5 Resource outflows related to products and services	-	Upstream / own operations / downstream	All phases	Planet	Research and manufacturing generate chemical and hazardous wastes

The relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
E5 Waste	-	Upstream / own operations / downstream	All phases	Planet	Risk of inadequate hazardous waste management

E5-1: Policies related to resource use and circular economy

Pharma Mar's Sustainability Policy, which applies to all employees, establishes among its principles of action "to promote continuous improvement of the organization and make rational use of resources, developing initiatives related to circular economy". In addition, the company is working on the development of an environmental policy that will address, among other issues, the relevant role that the rational use of natural resources and the circular economy have in the development of its activities, taking into account the impacts, risks and opportunities identified.

E5-2: Actions and resources related to resource use and circular economy

In ESRS 2, in the section on metrics and targets, the content of Pharma Mar's Sustainability Plan 2024 - 2026 is described. It establishes a series of actions, metrics and targets classified according to environmental, social and governance dimensions. The actions related to environmental aspects related to the efficient use of resources and the circular economy include the following:

- Encourage the use of recyclable materials.
- Reduce environmental impact.
- Optimize the use of resources.

Metrics and targets

E5-3: Targets related to resource use and circular economy

The metrics and targets of the Sustainability Plan linked to the use of resources and the circular economy that the company has established on a voluntary basis are as follows:

- Eliminate the use of plastics in pharmaceutical product kits.
- Replace the paper drug package leaflet with a QR code.
- Increase the reuse of laboratory containers.
- Reduce the number of laboratory containers.
- Reduce the generation of non-hazardous waste.
- Increase the percentage of valorization of non-hazardous waste generated.
- Promote the valorization of hazardous waste generated.
- Increase the size of drug batches per shipment.

Thanks to these objectives, the company contributes, as far as drug production parameters allow, to the reduction, reuse, recycling and recovery of resources, promoting circular economy.

The goals set out in the Sustainability Plan sometimes do not coincide with the material issues found in the IROs, despite this the company follows up on these goals annually through a specific working group in which all corporate departments that have improvement objectives established in the Sustainability Plan 2024 - 2026 participate.

E5-5: Resource outflows

Products and materials

Pharma Mar, as a biopharmaceutical company specializing in the research, development and marketing of drugs for the treatment of various types of cancer, markets its products with specific packaging that guarantees the quality and effectiveness of its drugs.

Each drug consists of a primary container, in direct contact with the product, and a secondary container, which protects the primary container. The primary container consists of a glass vial, rubber stopper and aluminum capsule. None of the parts of the primary container can be recycled as they have been in contact with cytotoxic products and must be properly disposed of.

The secondary packaging consists of an expanded polystyrene support enclosed in a rigid polypropylene cover, which in turn is enclosed in a cardboard box and contains a package leaflet, except in those cases where it has been replaced by a QR code that

leads to an electronic package leaflet. The secondary packaging is designed to be completely recycled once the medicine it contains has been used.

The drugs are shipped packed, with their primary and secondary packaging, in carton boxes of 25 units.

As described in section E5-2, to reduce plastic consumption and encourage the use of recyclable materials, Pharma Mar is working to replace plastic in all secondary packaging with cardboard and plans to eliminate the paper package leaflet by including a QR code on the packaging itself. The company is also analyzing the possibility to increase the number of drugs per shipment, minimizing the logistical resources required for transport.

Waste

Pharma Mar's waste management is oriented towards the zero waste movement, which aims to reduce and reuse objects and materials used in production activities. The company seeks to minimize the amount and hazardousness of waste generated, promoting its segregation and prioritizing its recovery over disposal operations.

For the treatment of the waste it generates, Pharma Mar chooses the waste management companies that achieve the highest level of waste recovery, prioritizing those that achieve the highest degree of recovery.

The waste generated by the company, according to type and treatment method, is as follows:

Waste generation		2024	2023	2022
Non-hazardous waste	**Valorization (t)**	**70.56**	**49.78**	**75.88**
	Reuse (t)	0.00	0.00	0.00
	Recycling (t)	0.01	0.00	0.00
	Other recovery operations (t)	70.56	49.78	75.88
	Disposal (t)	**0.00**	**2.58**	**12.08**
	Incineration (t)	0.00	0.00	0.00
	Landfill (t)	0.00	2.58	5.56
	Other disposal operations (t)	0.00	0.00	6.52
	Total non-hazardous waste (t)	**70.56**	**52.36**	**87.96**
Hazardous waste**	**Valorization (t)**	**45.16**	**53.67**	**93.15**
	Reuse (t)	29.81	43.60	49.21
	Recycling (t)	0.00	0.00	0.00
	Other recovery operations (t)	15.35	10.07	43.94
	Disposal (t)	**49.87**	**39.12**	**8.86**
	Incineration (t)	0.00	0.00	0.00
	Landfill (t)	0.00	0.00	0.00
	Other disposal operations (t)	49.87	39.12	8.86
	Total hazardous waste (t)	**95.02**	**92.79**	**102.00**
Total	**Valorization (t)**	**115.72**	**103.45**	**169.03**
	Reuse (t)	29.81	43.60	49.21
	Recycling (t)	0.01	0.00	0.00
	Other recovery operations (t)	85.90	59.85	119.82
	Disposal (t)	**49.87**	**41.70**	**20.94**
	Incineration (t)	0.00	0.00	0.00
	Landfill (t)	0.00	2.58	5.56
	Other disposal operations (t)	49.87	39.12	15.38
TOTAL (t)		**165.59**	**145.15**	**189.96**
Relative waste generation (t/M€)		0.95	0.92	0.97

*The highest weights of non-hazardous waste generated corresponded to construction and demolition waste, paper and cardboard, wood and different types of plastics.
**The highest weights of hazardous waste corresponded to solvents, inorganic solutions, empty contaminated glass containers, bio-sanitary waste and cytotoxic waste.

In 2024, the company recovered 100% of non-hazardous waste and 47.5% of hazardous waste. Of the total waste generated, 69.9% was recovered, while the remaining 30.1% was subjected to different treatments for disposal.

Pharma Mar identifies and labels the type of waste at its facilities, but it is the authorized waste manager in charge of waste collection and treatment who weighs the waste and determines its type. The documentation associated with each type of waste is provided directly through the invoice or the manager's platform. Given the importance of proper segregation at source for the subsequent recovery of waste, Pharma Mar provides regular training to its workforce to raise awareness of its importance.

ESRS S1: OWN WORKFORCE

Strategy

ESRS 2 SBM-2: Interests and views of stakeholders

For Pharma Mar, its workforce is a key stakeholder whose opinions, interests and rights are essential to its business model and to achieving its strategic targets. In this regard, the company adopts a people-centered approach, where respect for human and labor rights and the promotion of an inclusive and equitable work environment are an integral part of the company's day-to-day operations.

Through its Human Rights Policy, Pharma Mar guarantees people the right to be treated with dignity and respect, regardless of their gender, race, origin, nationality, ideology, beliefs or any other condition.

Through various channels, the company gathers the interests, expectations and concerns of its workforce, contributions that are considered in strategic decision-making and ensuring that the business model reflects the expectations of the workforce. In this regard, the company has an Ethics Channel, available to all stakeholders, through which they can report, anonymously if they wish, any conduct contrary to corporate policies.

In addition, as a means of communication with employees, the company has a corporate intranet, a digital platform through which employees can access news, events, policies and resources necessary for their daily work.

ESRS 2 SBM-3: impacts, risks and opportunities and their interaction with strategy and business model

The process for analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this Report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
S1 Working conditions	S1 Adequate salaries	Own operations	All phases	Employees	Positive impact due to competitive salaries
S1 Working conditions	S1 Health and Safety	Own operations	All phases	Employees	Lack of monitoring of health and safety practices
S1 Equal treatment and equal opportunities for all	S1 Training and capacity building	Own operations	All phases	Employees	Positive impact of training and skills development on employee engagement

The relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
S1 Working conditions	S1 Adequate salaries	Own operations	All phases	Employees	Opportunity to offer competitive salaries
S1 Working conditions	S1 Work-life balance	Own operations	All phases	Employees	Opportunity for retention and attraction due to the existence of conciliation programs
S1 Working conditions	S1 Health and Safety	Own operations	All phases	Employees	Risk of increased costs and penalties due to inadequate occupational health and safety management
S1 Equal treatment and equal opportunities for all	S1 Training and capacity building	Own operations	All phases	Employees	Opportunity for high retention due to training and skills development
S1 Equal treatment and equal opportunities for all	S1 Training and capacity building	Own operations	All phases	Employees	Risk of rotation due to lack of projection
S1 Other labor rights	S1 Privacy	Own operations	All phases	Employees, shareholders, authorities	Risk of security breach or data theft
S1 Working conditions	S1 Adequate salaries	Own operations	All phases	Employees	Opportunity for higher profits and productivity for living wages

The analysis of impacts, risks and opportunities and the content of this ESRS S1 consider the entire Pharma Mar workforce, including all the subsidiaries over which the company has operational control, as specified in the "basis for preparation" section of ESRS 2.

Among the positive impacts, professional development and the offer of competitive salaries stand out. Combined with work-life balance measures, these factors create opportunities to attract and retain talent, which is one of the major challenges in the pharmaceutical sector.

Maintaining a safe and healthy work environment, especially for employees whose activities involve contact with potentially hazardous substances, is a key issue linked to the inherent risk of administrative sanctions due to inadequate management in this area. Other potential risks analyzed include workforce turnover due to a lack of professional growth opportunities and possible security breaches related to personal data protection. The measures addressing each of these issues are detailed throughout this chapter, as well as in the cybersecurity chapter of this Report.

Pharma Mar's workforce and other non-salaried personnel, whose main roles are outlined in section S1-7 of this chapter, are primarily located in Spain, where 89% of employees have their workplace. The remaining employees work in OECD countries. The identified impacts, risks, and opportunities apply to all of them. Additionally, 96.8% of the workforce is covered by collective bargaining agreements, and 100% hold permanent contracts, demonstrating the stability and quality of employment. No operations have been identified as posing a significant risk of forced labor or child labor.

Impacts, risks and opportunities management

S1-1: Policies relating to own workforce

Pharma Mar has a series of policies, protocols and procedures that guide the company's actions in its relations with its employees and enable it to adapt to new challenges and demands posed by the labor market and current legislation. All of them, available on the corporate intranet, are in one way or another directly related to the analysis of impacts, risks and opportunities carried out to determine the contents of this Report. The following policies and plans, among others, stand out:

- Human Rights Policy: this is Pharma Mar's commitment to internationally recognized human rights by establishing the basic principles that will guide the company's actions. The content of this policy is described in this section.
- Integrated Quality, Prevention and Environment Policy: contains the basic principles for the implementation of the Integrated Quality, Prevention and Environment Management System.
- Equality Plan: this is a set of equality measures and positive actions aimed at integrating the principle of equality, avoiding any type of labor discrimination between women and men. The plan was sent to the most representative unions in the sector for the creation of the plan's negotiation committee.
- Hiring Policy: its purpose is to establish the mechanisms for requesting the incorporation of workforce and the selection and hiring processes, describing the existing communication channels.
- Action protocol for dealing with harassment in the workplace: its objective is to prevent harassment in the workplace and, if it occurs, to have the appropriate procedure in place to deal with it and avoid its repetition.
- LGTBIQ+ Protocol: aims to continue advancing in equality and consolidating the rights of LGTBIQ+ people, establishing mechanisms for the prevention of harassment or situations potentially constituting harassment.
- Training Procedure: defines the training process for Pharma Mar workforce and its documentation for proper recording.
- Performance Evaluation Procedure: establishes the process by which employees receive annual performance evaluations.
- Work-life balance measures and social benefits.
- Intern Onboarding Policy: regulates the training of interns participating in the company's different projects.
- General human resources rules that refer to the regulation of work, the use of common areas, rest periods, vacations and, in general, the rights and duties of employees in the work environment.

All the aforementioned policies, plans and procedures apply to all Pharma Mar employees and all non-salaried workforce working at the company's facilities; the human resources department is responsible for their implementation, except for the Human Rights Policy, which is monitored by other departments.

In 2024, the Board of Directors approved the Human Rights Policy, through which the company undertakes to respect, promote and support effective compliance with human rights in all its activities. The policy establishes that Pharma Mar's employees must respect and defend the following fundamental rights: non-discrimination (on grounds of gender, race, sexual orientation, ethnicity, religion, age, culture, nationality or other

circumstances or personal qualities), equal opportunities, the right to fair and favorable working conditions, the right to a safe workplace and a healthy environment, the right to privacy and intimacy, and the rejection of slavery, child labor and forced labor. Some of these principles have their specific development in other internal corporate regulations such as those mentioned above.

The Human Rights Policy has been developed in accordance with the main international standards in this area, including the United Nations Guiding Principles on Business and Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. It is also aligned with other standards specific to the pharmaceutical industry. Pharma Mar's Human Rights Policy is available at www.pharmamar.com.

In addition, the policy establishes the Ethics Channel as the main channel for reporting incidents related to human rights or non-compliance with any internal regulations. Details of how the Ethics Channel works and the different channels for sending communications can be consulted in section G1-1 of this Report.

S1-2: Processes for engaging with own workers and workers' representatives about impacts

Pharma Mar does not currently have specific, standardized processes or protocols for collaborating with its own workforce. However, during 2024, an external consultant conducted a study of the company's most important processes to analyze efficiencies and detect points for organizational improvement. This exercise, which involved a total sample of 90% of the workforce, was carried out largely through workshops or focus groups.

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

The main channel through which Pharma Mar's employees can express their concerns and needs is the Ethics Channel. All communications sent through this channel are received by the Regulatory Compliance Department, which analyzes them and decides whether to open a case. Section G1-1 of this Report specifies the operation of the Ethics Channel and the processes related to the resolution of the communications received. The Ethics Channel is available on Pharma Mar's website, on the intranet, and its existence is communicated and its use is promoted through posters at workplaces and periodic e-mails.

In addition, the Human Resources Department provides personalized attention, either in person or online, to address any questions or professional needs of employees, and exit interviews are systematically conducted to find out the reasons why people leave the company.

S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Pharma Mar has strategies, specific measures and resources to reduce impacts, mitigate risks and take advantage of existing opportunities in relation to its own employees.

In this regard, the main impact that can be perceived on its workforce is related to health and safety. Since Pharma Mar is a pharmaceutical company and works with potentially toxic products, all workplaces are equipped with appropriate preventive measures and the handling of hazardous substances is protocolized and standardized.

In addition, the company counts among the risks related to its own workforce the attraction of talent and potential information security breaches. To avoid these risks, there are incentives, training plans and benefits, as explained in this chapter, which, among other consequences, result in lower staff turnover and attract talent. Regarding information security, Pharma Mar has an Information Systems Security Policy that establishes rules for the use of the Internet, electronic devices and corporate software, and provides regular training to all staff on responsibility for the use and processing of personal data.

Pharma Mar has training, professional development and work-life balance programs that enable it to develop an attractive value proposition for its employees, reducing turnover and increasing productivity.

Metrics and targets

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In ESRS 2, in the "metrics and targets" section, the content of Pharma Mar's Sustainability Plan 2024 - 2026 is described. The targets of this plan, developed and approved in collaboration with the various corporate divisions and linked to the company's own workforce, include the following:

- Encourage the presence of women in management positions and in selection processes.
- Promote the professional development of the staff through training actions in different areas.
- Promote corporate volunteering.
- Promote an optimal work environment.
- Reduce accident rates.
- Promote the integration of minority groups.

The purpose of these targets is to adapt the company's actions to the latest regulatory trends and seek to a large extent to improve performance in some of the negative impacts, boost positive impacts and adequately manage the risks and opportunities detected. Thus, for example, the objective of reducing the accident rate allows us to mitigate the potential negative impact on the health and safety of our own employees, also reducing the risk of receiving penalties for this same reason. On the other hand, the promotion of corporate volunteering and the fostering of an optimal working environment can help to reduce staff turnover, another of the risks detected.

The company monitors these targets annually through a specific working group in which all corporate departments that have improvement targets established in the 2024 - 2026 Sustainability Plan participate. This group makes it possible to share the progress made

throughout the year and, in the event of non-compliance with the proposed actions, to analyze the reasons and postpone their execution or establish corrective measures if necessary.

Details of the contents of the 2024-2026 Sustainability Plan are available on Pharma Mar's website: www.pharmamar.com

S1-6: Characteristics of the undertaking's employees

The following tables show Pharma Mar's average and year-end headcount by different parameters over the last three years. In 2024, 60.6% of the company's workforce was female, 100% had permanent contracts, and 95.6% worked full time. In addition, at the end of 2024 there were a total of 18 different nationalities in the workforce.

This information was calculated using Sygris data management platform, which allows the compilation, grouping and analysis of human resources information. The information is loaded into the tool on a monthly basis and allows the extraction of staff data according to different variables (age, professional category, nationality, location), average remunerations and salary gap, among other issues. All headcount data refers to the number of people.

Country and gender (average)	2024			2023			2022		
	Men	Women	%W	Men	Women	%W	Men	Women	%W
Spain	177	268	60.3	175	272	60.8	181	270	59.8
Germany	8	7	46.2	10	8	44.2	8	11	57.5
Austria	0	6	95.7	0	6	95.9	0	6	100.0
Belgium	1	3	76.5	1	5	82.4	1	5	83.3
United States	0	2	100.0	0	2	100.0	1	2	66.7
France	4	7	62.4	4	7	64.8	3	8	71.6
Italy	7	11	60.6	6	13	68.4	7	13	65.5
SUBTOTAL	**197**	**303**	**60.6**	**196**	**313**	**61.5**	**201**	**315**	**61.0**
TOTAL		**500**			**509**			**516**	

NOTE: no employee has reported identifying as a gender other than male or female.

Country and gender (year-end)	2024			2023			2022		
	Men	Women	%W	Men	Women	%W	Men	Women	%W
Spain	177	263	59.8	174	283	61.9	177	265	60.0
Germany	7	7	50.0	9	6	40.0	10	10	50.0
Austria	0	6	100.0	1	4	80.0	0	6	100.0
Belgium	1	3	75.0	1	4	80.0	1	5	83.3
United States	0	2	100.0	0	2	100.0	1	2	66.7
France	4	8	66.7	4	6	60.0	4	8	66.7
Italy	7	10	58.8	6	12	66.7	6	13	68.4
SUBTOTAL	**196**	**299**	**60.4**	**195**	**317**	**61.9**	**199**	**309**	**60.8**
TOTAL		**495**			**512**			**508**	

NOTE: no employee has reported identifying as a gender other than male or female.

Type of contract and gender (average)	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Men	197	0	195	1	198	3
Women	303	0	310	3	311	3
SUBTOTAL	**500**	**0**	**505**	**4**	**510**	**6**
TOTAL	**500**		**509**		**516**	

Type of contract and gender (year-end)	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Men	195	1	195	0	197	2
Women	299	0	316	1	306	3
SUBTOTAL	**494**	**1**	**511**	**1**	**503**	**5**
TOTAL	**495**		**512**		**508**	

Type of contract and age (average)	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
<30	27	0	28	2	34	4
30-50	277	0	287	2	295	2
>50	196	0	190	0	181	0
SUBTOTAL	**500**	**0**	**505**	**4**	**510**	**6**
TOTAL	**500**		**509**		**516**	

Type of contract and age (year-end)	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
<30	23	1	34	0	33	4
30-50	272	0	283	1	283	1
>50	199	0	194	0	187	0
SUBTOTAL	**494**	**1**	**511**	**1**	**503**	**5**
TOTAL	**495**		**512**		**508**	

Type of contract and category (average)	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Executive directors	3	0	2	0	3	0
Senior management	8	0	8	0	8	0
Management	25	0	23	0	29	0
Middle management	97	0	91	0	90	0
Technicians	286	0	293	4	292	6
Administrative and similar	65	0	69	0	68	0
Others	17	0	18	0	20	0
SUBTOTAL	**500**	**0**	**505**	**4**	**510**	**6**
TOTAL	**500**		**509**		**516**	

*Senior management is defined as those employees of Pharma Mar who report directly to the Board of Directors or to a member of the Board of Directors (in accordance with the criteria mentioned in article 249 bis of the Spanish Corporate Enterprises Act). They can only be appointed and removed by the Board of Pharma Mar, in accordance with Spanish law.

Type of contract and category (year-end)	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Executive directors	3	0	2	0	2	0
Senior Management	8	0	8	0	8	0
Management	25	0	23	0	24	0
Middle management	93	0	93	0	89	0
Technicians	286	1	299	1	288	5
Administrative and similar	63	0	69	0	73	0
Others	16	0	17	0	19	0
SUBTOTAL	**494**	**1**	**511**	**1**	**503**	**5**
TOTAL	**495**		**512**		**508**	

Type of workday and gender (average)	2024		2023		2022	
	Full-time	Partial	Full-time	Partial	Full-time	Partial
Men	195	2	195	1	198	3
Women	283	20	291	22	289	26
SUBTOTAL	**478**	**22**	**486**	**23**	**487**	**29**
TOTAL	**500**		**509**		**516**	

Type of workday and gender (year-end)	2024		2023		2022	
	Full-time	Partial	Full-time	Partial	Full-time	Partial
Men	193	3	193	2	195	4
Women	275	24	293	24	283	26
SUBTOTAL	**468**	**27**	**486**	**26**	**478**	**30**
TOTAL	**495**		**512**		**508**	

Type of workday and age (average)	2024		2023		2022	
	Full-time	Partial	Full-time	Partial	Full-time	Partial
<30	27	0	31	0	36	1
30-50	259	18	268	20	271	27
>50	192	4	187	3	180	1
SUBTOTAL	**478**	**22**	**486**	**23**	**487**	**29**
TOTAL	**500**		**509**		**516**	

Type of day and age (year-end)	2024		2023		2022	
	Full-time	Partial	Full-time	Partial	Full-time	Partial
<30	23	1	34	0	36	1
30-50	251	21	262	22	257	27
>50	194	5	190	4	185	2
SUBTOTAL	**468**	**27**	**486**	**26**	**478**	**30**
TOTAL	**495**		**512**		**508**	

Type of workday and category (average)	2024		2023		2022	
	Full-time	Partial	Full-time	Partial	Full-time	Partial
Executive directors	3	0	2	0	3	0
Senior Management	8	0	8	0	8	0
Management	25	0	23	0	29	0
Middle management	94	3	88	3	88	3
Technicians	274	12	285	12	282	16
Administrative and similar	58	7	62	8	58	10
Others	17	0	18	0	19	1
SUBTOTAL	**478**	**22**	**486**	**23**	**487**	**29**
TOTAL	**500**		**509**		**516**	

Type of day and category (year-end)	2024		2023		2022	
	Full-time	Partial	Full-time	Partial	Full-time	Partial
Executive directors	3	0	2	0	2	0
Senior Management	8	0	8	0	8	0
Management	25	0	23	0	24	0
Middle management	89	4	89	4	86	3
Technicians	273	14	286	14	277	16
Administrative and similar	54	9	61	8	62	11
Others	16	0	17	0	19	0
SUBTOTAL	**468**	**27**	**486**	**26**	**478**	**30**
TOTAL	**495**		**512**		**508**	

Age and gender (average)	2024			2023			2022		
	Men	Women	%W	Men	Women	%W	Men	Women	%W
<30	11	17	61.2	11	20	64.5	17	20	53.5
30-50	107	170	61.4	105	183	63.6	104	194	65.0
>50	79	116	59.4	80	110	57.7	80	101	55.8
SUBTOTAL	**197**	**303**	**60.6**	**196**	**313**	**61.5**	**201**	**315**	**61.0**
TOTAL		**500**			**509**			**516**	

Age and gender (year-end)	2024			2023			2022		
	Men	Women	%W	Men	Women	%W	Men	Women	%W
<30	9	15	62.5	12	22	64.7	19	18	48.6
30-50	108	164	60.3	103	181	63.7	100	184	64.8
>50	79	120	60.2	80	114	58.8	80	107	57.2
SUBTOTAL	**196**	**299**	**60.3**	**195**	**317**	**61.9**	**199**	**309**	**60.8**
TOTAL		**495**			**512**			**508**	

Professional category and gender (average)	2024			2023			2022		
	Men	Women	%W	Men	Women	%W	Men	Women	%W
Executive directors	3	0	0.0	2	0	0.0	3	0	0.0
Senior Management	4	4	50.0	4	4	49.4	5	3	37.5
Management	10	15	59.3	11	12	51.7	14	14	50.4
Middle management	45	52	53.3	44	47	51.6	43	48	52.9
Technicians	118	168	58.8	115	182	61.2	114	185	61.8
Administrative and similar	6	59	90.6	8	62	89.1	10	59	86.0
Others	11	6	36.2	12	6	34.2	13	6	32.3
SUBTOTAL	**197**	**303**	**60.6**	**196**	**313**	**61.5**	**201**	**315**	**60.9**
TOTAL		**500**			**509**			**516**	

Professional category and gender (year-end)	2024			2023			2022		
	Men	Women	%W	Men	Women	%W	Men	Women	%W
Executive directors	3	0	0.0	2	0	0.0	2	0	0.0
Senior Management	4	4	50.0	4	4	50.0	5	3	37.5
Management	10	15	60.0	11	12	52.2	12	12	50.0
Middle management	43	50	53.8	45	48	51.6	42	47	52.8
Technicians	119	168	58.5	116	184	61.3	115	178	60.8
Administrative and similar	6	57	89.1	7	62	89.9	10	63	86.3
Others	11	5	31.3	10	7	41.2	13	6	31.6
SUBTOTAL	**196**	**299**	**60.3**	**195**	**317**	**61.9**	**199**	**309**	**60.8**
TOTAL		**495**			**512**			**508**	

The following tables show the number of voluntary departures and dismissals (by age and professional category) and turnover rates for the last three years.

Leaves	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
Volunteer	9	15	5	17	3	13
Layoffs	13	17	11	9	14	22
SUBTOTAL	**22**	**32**	**16**	**26**	**17**	**35**
TOTAL		**54**		**42**		**52**

Layoffs by age	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
<30	2	3	1	2	0	2
30-50	6	11	6	4	7	16
>50	5	3	4	3	7	4
SUBTOTAL	**13**	**17**	**11**	**9**	**14**	**22**
TOTAL		**30**		**20**		**36**

Layoffs by category	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
Executive directors	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Management	3	0	1	1	3	3
Middle management	5	2	0	2	4	4
Technicians	4	9	8	4	6	13
Administrative and similar	1	5	1	0	0	2
Others	0	1	1	2	1	0
SUBTOTAL	**13**	**17**	**11**	**9**	**14**	**22**
TOTAL		**30**		**20**		**36**

Turnover rate (%)	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
Volunteer	4.6	4.9	2.5	5,4	1,5	4,1
Total voluntary	4.8		4.3		3.1	
Involuntary	6.6	5.6	5.6	2,9	6,9	7,0
Total involuntary	6.0		3.9		7.0	
SUBTOTAL	11.2	10.5	8.2	8,3	8,7	11,2
TOTAL	**10.8**		**8.3**		**10.1**	

S1-7: Characteristics of non-employee workers in the undertaking's own workforce

At Pharma Mar's Oncology Unit, certain groups of people who are not directly part of the company's workforce, but are hired as service contract workforce or under a temporary employment contract (temporary employment agencies), carry out their professional activities at the unit's facilities. Such is the case of security employees, computer support services, canteen, cleaning, reception and other activities that are essential for the correct functioning of the company.

Non-salaried workforce data are collected through a platform that groups their affiliation data, social security and medical examination reports, among other matters. They also receive training in pharmacovigilance and occupational risk prevention, and their access to the facilities is recorded by means of an electronic card. The company therefore maintains precise control over the people who physically work in Pharma Mar's laboratories.

All of these employees receive salaries similar to those of Pharma Mar's employees in the same professional group and are eligible for other additional benefits enjoyed by salaried workforce. At year-end 2024, approximately 75 people were working as non-salaried workforce.

S1-8: Collective bargaining coverage and social dialogue

Pharma Mar is covered by the XXI Chemical Industry Collective Bargaining Agreement, which is in force for the period 2024-2026 and applies to 100% of the workforce in Spain.

The rest of the workforce in other subsidiaries outside Spain are covered by collective bargaining agreements, except for Germany, which does not have a collective bargaining agreement for the sector and is covered by the labor legislation in force in the country, and the United States. The collective bargaining agreements in force are as follows:

- *Contratto Collettivo Nazionale dei Chimica Industria 2022-2025*, in Italy.
- *Convention collective nationale de l'industrie pharmaceutique. Édition du 1er juin 2020. IDCC 176*, updated October 2023, in France.
- *Les conventions collectives de travail conclues au sein de la CPAE (Commission Paritaire Auxiliaire pour Employés). Édition 2020,* updated in July 2023, in Belgium.
- *Kollektivvertrag für Angestellte und Lehrlinge in Handelsbetrieben, 1. Jänner 2024*, in Austria.

- In the U.S., United Steelworks represents workers in the North American Chemical Industry, but the two Pharma Mar employees in the U.S. do not belong to a union, so they are not covered by any industry agreement.

The following table shows the percentage of the workforce covered by collective bargaining agreements in each country where Pharma Mar operates:

Staff covered by collective bargaining agreement	2024		
	Staff covered by collective bargaining agreement	**Average workforce**	**% workforce covered by collective bargaining agreement**
Spain	445	445	100.0
Germany	0	14	0.0
Austria	6	6	100.0
Belgium	4	4	100.0
United States	0	2	0.0
France	12	12	100.0
Italy	17	17	100.0
TOTAL	**484**	**500**	**96.8**

Regarding social dialogue, Pharma Mar gives its employees full freedom to join trade unions or to form their own workers' representatives. To date, given the low level of labor disputes and optimal working conditions at the company, there has been no union activity.

S1-9: Diversity metrics

The required diversity parameters can be found in the tables in section S1-6.

S1-10: Adequate wages

Competitive remuneration is an opportunity to attract and retain talent. Accordingly, Pharma Mar conducted an analysis to determine whether its workforce enjoys a *living wage* that covers its basic needs in all the countries where it has employees. To this end, the living wage data provided by the Wage Indicator Foundation[4] were used, which provides adjusted information on the remuneration that enables a person to cover his or her basic needs depending on his or her place of work. The components considered for calculating the living wage are, among others, food, water, housing, energy, transportation, children's education, medical care, telephone, taxes and social security.

The lowest salary in each of the countries in which Pharma Mar has employees was considered and compared with the appropriate salary for each country provided by the Wage Indicator Foundation. The analysis led to the conclusion that all Pharma Mar employees receive a salary higher than that considered adequate according to the aforementioned criteria.

[4] WageIndicator.org

S1-11: Social protection

All the countries in which Pharma Mar has employees have means of social protection against loss of income due to major life events such as illness, unemployment, work-related accidents or acquired disabilities, parental leave or retirement.

The company grants benefits in addition to those provided by the social security system of each country, such as private medical insurance.

S1-12: Persons with disabilities

At 2024 year-end, Pharma Mar had seven employees with some type of disability, equivalent to 1.4% of the workforce. The table below shows the breakdown by gender of the number of people with disabilities.

Staff with disabilities	2024	2023	2022
Men	2	3	4
Women	5	5	2
TOTAL	**7**	**8**	**6**
% of workforce	**1.4**	**1.6**	**1.2**

Pharma Mar has filed a declaration of concurrence of causes of exceptionality to the obligation to hire disabled workers and the adoption of alternative measures with the Special Employment Center of the Community of Madrid number 286[5] . The agreement reached involves hiring the services of a special employment center, a travel agency, so that what is billed through this center enables the company to cover the obligatory quota, which is at least three times the Public Multiple Effect Income Indicator (IPREM), for each disabled worker that has not been hired.

S1-13: Training and skills development metrics

Pharma Mar has a Workforce Training Procedure whose purpose is to define the process and the documentation required for proper registration. Due to the heterogeneity of the professional profiles that can be found in the organization and the high level of specialization required for some jobs, training needs are defined at departmental level. In this way, and as determined in the double materiality analysis carried out, continuous professional development, the improvement of skills and abilities and the promotion of the employability of the staff constitute a positive impact that could result in greater employee commitment.

In 2024, Pharma Mar employees received a total of 22,311 hours of training (44.59 hours on average per employee). The table below shows the hours received by professional category and gender.

[5] According to resolution of the Directorate General of the Public Employment Service Ministry of Economy, Employment and Finance of the Community of Madrid dated 14/06/2016.

Training by gender and professional category (hours)	2024		2023	2022
	Man	Women		
Senior Management	161	87	160	245
Management	678	806	1,707	1.412
Middle management	2,018	3,047	7,144	6.445
Technicians	5,016	7,976	13,756	7.990
Administrative and similar	225	1,700	2,171	8.600
Others	481	115	261	225
Subtotal	8,580	13,731	-	-
Average (hours/year)	43.56	45.26	-	-
Total	22,311		25,199	24,917
Total average (hours/year)	44.59		49.50	48.29

Pharma Mar has an annual targets and performance evaluation document that applies to 100% of its staff. This document also includes an interview outline for performance evaluation and identification of the potential of the workforce being evaluated, which can be used by the evaluator to propose promotions and prepare the annual training plan. In 2024, 100% of the workforce received a performance evaluation.

S1-14: Health and safety metrics

Pharma Mar complies with applicable occupational risk prevention regulations and has had its health and safety management system certified in accordance with ISO 45001 until 2026, audited by Lloyds Register Quality Assurance.

The company develops policies focused on offering its employees safe and healthy working conditions. Therefore, during the year the company carried out several initiatives aimed at promoting physical and mental health care. The most important of these were as follows:

- *"Súbete a la Ola"* campaign, with educational workshops on nutrition, eye fatigue and other issues related to physical and mental wellbeing.
- Influenza vaccination campaign.
- Celebration of World Mental Health Day with a specific day dedicated to this topic.

All employees have private medical insurance and group accident insurance.

The main health and safety indicators for Pharma Mar's own workforce are as follows:

Health and safety indicators	2024			2023			2022		
	Man	Women	Total	Man	Women	Total	Man	Women	Total
Number of occupational accidents with sick leave	0	3	**3**	3	0	**3**	1	2	**3**
Frequency index	0	5.55	**3.35**	8.53	0	**3.37**	2.99	3.94	**3.56**
No. of recordable occupational accidents	1	3	**4**	5	0	**5**	4	4	**8**
Accident rate	5.66	9.24	**7.83**	19.90	7.43	**12.36**	11.96	15.76	**14.25**
Severity index	0	0.02	**0.01**	0.4	0	**0.18**	0.02	0	**0.01**
Number of cases of occupational diseases	0	0	**0**	0	0	**0**	0	0	**0**
Number of hours of absenteeism	-	-	**33,154**	-	-	**30,129**	-	-	**40,613**
Number of days lost	0	10	**10**	156	0	**156**	6	2	**8**
Number of fatal accidents	0	0	**0**	0	0	**0**	0	0	**0**

Frequency rate = no. of accidents with sick leave*1,000,000/no. hours worked. *In itinere* accidents are not included.
Accident rate = nº of recordable accidents*1,000,000/no. hours worked. Includes accidents *in itinere*.
Severity rate = no. of days lost*1,000/no. hours worked. *In itinere* accidents are not included.

S1-15: Work-life balance metrics

Adequate work-life balance is a basic parameter for attracting and retaining talent. Pharma Mar applies various measures to facilitate work-life balance, including the following:

- Flexibility of schedule, both for entering and leaving the work center.
- Teleworking, depending on the needs and requirements of each job.
- company cafeteria, 100% subsidized, at the oncology unit facilities (79% of the workforce) and restaurant tickets for the rest of the workforce in Spain.

All family reconciliation measures and social benefits are detailed on the corporate intranet.

In addition, labor legislation in the European countries in which Pharma Mar operates is designed to protect the work-life balance. In all of them, employees are entitled to maternity or paternity leave with a high percentage of their salary covered by social security. In the United States, this type of leave varies according to each state, but in the case of New York, where Pharma Mar's two employees are physically located, the leave entitlement is up to 12 weeks of paid family leave with up to 67% of salary, with a maximum weekly maximum.

In the case of Spain, where 89% of the workforce physically works, maternity and paternity leave is non-transferable between parents and amounts to 16 weeks, with the 6 weeks immediately after birth being mandatory, and all of them paid at 100%.

In 2024, nine women took maternity leave and eight men took paternity leave.

S1-16: Compensation metrics (pay gap and total compensation)

Pharma Mar promotes effective equality between men and women in hiring, promotion and remuneration. As part of its Equality Plan, the company regularly monitors its pay

gap by means of a pay audit, and the pay gap is also calculated annually for the purpose of providing that information in this Report.

The calculation of the salary gap is carried out through the use of a platform that guarantees the homogenization of the information and the detection of elements that could distort the calculations made. Through a monthly upload of the information and its subsequent review, the tool collects the salary information of the entire workforce.

The formula used to calculate the wage gap is as follows:

$$\text{Gross pay gap} = \frac{\text{Gross hourly pay of men} - \text{Gross hourly pay of women}}{\text{Gross hourly pay of men}} x\ 100$$

To calculate the weighted gap, econometric models are applied to isolate the effect on wages of the differences between men and women, both in terms of their socioeconomic characteristics (age, seniority in the company or educational level, among others) and in terms of job positions (working hours and type of occupation). The calculation is made taking into account the weighted average of the existing salary variation (gap) between men and women who have equal attributes. In the case of employees who do not have an equivalent of a different gender with which to compare themselves, only the average of the attribute in which they do have the same. The model used by Pharma Mar takes into account professional category and seniority as attributes for the adjustment. In the case of seniority, the differentiating factors are recognition of the person's contribution to the company and labor market conditions at the date of incorporation. Thus, it is effectively calculated whether men and women receive "the same salary for the same work".

The following tables reflect the calculation of the weighted pay gap and gross pay gap by professional category in recent years:

Weighted pay gap (%)	2024	2023	2022
Senior Management	0.5	0.3	0.0
Management	1.4	1.0	0.2
Middle Management	0.3	0.4	0.2
Technicians	3.4	2.3	1.5
Administrative and similar	-2.5	0.7	-0.9
Others	0.2	0.3	0.2
Weighted pay gap	**3.3**	**5.0**	**1.3**

NOTE: Data for fiscal 2022 and 2023 differ slightly from those published in previous years because U.S. staff salaries were previously excluded from the calculations.

Gross pay gap (%)	2024	2023	2022
Senior Management	41.2	35.4	23.0
Management	37.8	28.9	16.2
Middle Management	5.3	7.1	6.7
Technicians	5.1	3.7	2.2
Administrative and similar	-16.9	8.4	-9.8
Others	11.5	16.4	16.8
Gross pay gap	**24.3**	**23.8**	**22.6**

NOTE: Data for fiscal 2022 and 2023 differ slightly from those published in previous years because U.S. staff salaries were previously excluded from the calculations.

Pharma Mar also calculates the *CEO pay ratio* , i.e. the ratio between the salary of the highest-paid individual and the median salary of the workforce, excluding the highest-paid individual. In 2024, the top executive received 31.25 times more than the median salary and 46.36 times more than the Group median salary (27.55 and 39.49 times in 2023, respectively)

Pharma Mar also discloses the average remuneration of its workforce by gender, category and age. Average remuneration was calculated as follows:

- Both fixed and variable remuneration, whether in cash or in social benefits (medical insurance, canteen, etc.), have been taken into account, excluding severance payments and the amount of shares that the company gives free of charge to those employees who decide to participate in the Stock Participation Plan.
- In the case of the remuneration of professionals who have left the company during the year, the annualization of their salaries takes into account fixed remuneration and social benefits. After their calculation, one-time or one-off remunerations, such as *bonuses*, are added.
- The fixed and variable remuneration of Executive Directors is not taken into account for the calculation of the salary gap, although this information is provided in the table of average remuneration by category.
- Internship contracts have not been considered.
- The cash basis has been used, unless otherwise specified.

Taking the above factors into account, the average compensation of Pharma Mar's workforce in 2024 amounted to 91,743.77 euro (77,795.11€ in 2023). The following tables show a breakdown of that information by professional category, gender and age:

Compensation by professional category and gender (€)	2024		2023		2022	
	Man	Women	Man	Women	Man	Women
Executive directors	1,169,240		1,232,746	-	761,906	-
Senior Management	510,419	300,173	404,692	261,597	367,222	282,615
Management	365,419	227,229	300,403	213,527	208,226	197,937
Middle management	127,344	120,558	115,225	107,027	109,641	102,318
Technicians	63,021	59,826	60,555	57,638	56,079	54,242
Administrative and similar	38,886	45,452	45,492	41,195	36,250	39,322
Others	35,845	31,733	34,544	28,876	33,225	27,630

NOTE: Data for fiscal 2022 and 2023 differ slightly from those published in previous years because U.S. staff salaries were previously excluded from the calculations.

Compensation by age group and gender (€)	2024		2023		2022	
	Man	Women	Man	Women	Man	Women
<30	36,643	34,967	37,388	32,477	30,734	30,171
30-50	73,037	67,539	71,961	62,094	69,054	58,049
>50	184,371	98,587	151,023	91,801	148,735	93,387

NOTE: Data for fiscal 2022 and 2023 differ slightly from those published in previous years because U.S. staff salaries were previously excluded from the calculations.

Pharma Mar's remuneration policy for the members of the Board of Directors is aimed at seeking alignment with shareholders' interests, prudent risk management, moderation

and balance, always bearing in mind that the quality and commitment of Board members is essential for compliance with the corporate strategy. Remuneration should encourage dedication without being an obstacle to independence.

The remuneration of the Board in 2024 has been determined by the Directors' Remuneration Policy 2022-2025, approved by the General Shareholders' Meeting held on June 29, 2022. Said remuneration includes fixed allowances received as members of the Board of Directors and its delegated Committees (Executive Committee, Audit Committee and Appointments and Remuneration and Sustainability Committee), attendance fees for attending the meetings of the Board of Directors and the delegated Committees, and the remuneration of the Coordinating Director. The remuneration shown below is the remuneration received by the Directors in their capacity as such, excluding from the calculation the fixed and variable remuneration of the Executive Directors for the performance of their executive duties (which is included in the table "remuneration by professional category and gender").

The following table shows the detail of the compensation items and the compensation corresponding to each item, broken down by gender, although the amount is independent of gender.

Compensation by professional category and gender (€)	2024		2023		2022	
	Man	Women	Man	Women	Man	Women
Member of the Board	71,450	71,450	71,450	71,450	71,450	71,450
Member of the Executive Committee	140,582	140,582	140,582	140,582	140,582	140,582
Chairman of other Committees	24,257	24,257	24,257	24,257	24,257	24,257
Member of other Committees	18,624	18,624	18,624	18,624	18,624	18,624
Diet assistance Council	4,093	4,093	4,093	4,093	4,093	4,093
Per diem for attendance at Committees	1,857	1,857	1,857	1,857	1,857	1,857
Lead Director	18,624	-	18,624	-	18,624	-

In 2024, Pharma Mar's Directors received an average of 175 thousand euro in remuneration in their capacity as such (169 thousand euro in 2023), while the average remuneration of female Directors in their capacity as such amounted to 163 thousand euro (157 thousand euro in 2023).

Details of the Board's remuneration can be found in the Annual Report on Directors' Remuneration, available at www.pharmamar.com.

S1-17: Incidents, complaints and severe human rights impacts

Pharma Mar's Ethics Channel is the main channel through which it receives communications from its stakeholders in relation to breaches of the law, internal policies or any other type of breach. The operation of the Ethics Channel is described in section G1-1 of this Report.

Regarding the nature of the communications received, three incidents related to potential discrimination or harassment at work were reported through the Ethics Channel, while there were no reports related to human rights. All were analyzed and investigated in accordance with the Ethics Channel Policy. No fines or sanctions were received as a result of these communications.

In addition, the company has other mechanisms for receiving incidents, such as the Quality Unit.

ESRS S4: CONSUMERS AND END-USERS

Strategy

ESRS 2 SBM-2: Interests and views of stakeholders

As an innovative biopharmaceutical company, Pharma Mar's main mission is to contribute to the well-being and health of patients, who are the consumers and end users of the drugs it researches, develops and produces, and who are at the core of its activities and strategic decisions.

Pharma Mar guarantees the quality of the products it manufactures by complying with the strictest regulations applied by the health authorities in all the countries in which it operates and ensures compliance with all industry regulations.

Section S4-3 describes in detail the processes and procedures implemented by the company related to drug quality and related to pharmacovigilance through which any interested party can inform the company of incidents associated to quality or adverse effects or any other event related to the use of drugs.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model

The process of analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
S4 Incidents related to consumer or end-user information	S4 Privacy	Upstream /own operations / downstream	All phases	Patients and hospitals	Privacy issues related to the protection of personal data
S4 Personal safety of consumers or end users	S4 Health and Safety	Downstream	All phases	Patients and hospitals	Patient and end-user safety
S4 Personal safety of consumers or end users	S4 Child protection	Own / downstream operations	All phases	Patients and hospitals	Impact on pediatric population if kids not included in clinical trials
S4 Social inclusion of consumers or end-users	S4 Access to products and services	Own operations	All phases	Patients and hospitals	Improving the health equity
S4 Social inclusion of consumers or end-users	S4 Access to products and services	Downstream	All phases	Patients and hospitals	Negative impact of lack of access to medicines
S4 Social inclusion of consumers or end-users	S4 Non-discrimination	Own operations / downstream	Clinical trials	Patients	Negative impact related to lack of minority representation
S4 Social inclusion of consumers or end-users	S4 Responsible marketing practices	Own/downstream operations	All phases	Patients and hospitals	Negative impact on patients due to inappropriate marketing practices
S4 Personal safety of consumers or end users	S4 Safety of a person	Upstream	Clinical trials	Shareholders, authorities, planet, patients, business partners	Impact of toxicity in clinical trials

The relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
S4 Incidents related to consumer or end-user information	S4 Privacy	Upstream / own operations / downstream	All phases	Patients, hospitals, shareholders, authorities	Consumer data protection breach risks
S4 Incidents related to consumer or end-user information	S4 Privacy	Upstream / own operations	Preclinical and clinical trials	Shareholders, authorities, planet, patients, business partners	Patient privacy in clinical and preclinical trials
S4 Personal safety of consumers or end users	S4 Health and safety	Upstream / downstream	Marketing and sales	Patients, hospitals, shareholders, authorities	Risk of adverse effects during the commercialization phase.
S4 Personal safety of consumers or end users	S4 Health and safety	Upstream / downstream	Transportation of medicines	Shareholders, authorities, patients, hospitals, business partners, etc.	Inadequate maintenance of the cold chain in the transport of medicines
S4 Personal safety of consumers or end users	S4 Safety of a person	Upstream	Clinical trials	Shareholders, authorities, planet, patients, business partners	Toxicity in clinical trials
S4 Social inclusion of consumers or end-users	S4 Responsible marketing practices	Downstream	Marketing and sales	Patients, hospitals, employees, shareholders	Risk for violations of sales and marketing laws
S4 Social inclusion of consumers or end-users	S4 Responsible marketing practices	Downstream	Marketing and sales	Patients, hospitals, employees, shareholders	Reputational risk due to misleading advertising
S4 Incidents related to consumer or end-user information	S4 Freedom of expression	Downstream	Marketing and sales	Patients, hospitals	Risk of non-existence of communication channels for patients and hospitals.

The consumers and end users of drugs marketed by Pharma Mar are patients, who receive the company's anti-tumor drugs with a doctor's prescription. However, there is no direct contact with them either for the supply of drugs or in clinical trials; rather, this contact is made through the healthcare workforce at hospitals or through CROs (clinical research organizations).

All marketed drugs contain a package leaflet addressed to healthcare professionals indicating the optimal dosage to be administered and its periodicity according to the different pathologies. The package leaflet also indicate the adverse effects caused in patients receiving treatment according to their frequency of occurrence. In general, the drugs marketed by Pharma Mar are not administered to the pediatric population.

The pharmaceutical industry is one of the most regulated in the world, since the health authorities supervise aspects such as the quality, efficacy and safety of drugs. To operate as a pharmaceutical laboratory, Pharma Mar ensures compliance with the requirements demanded by the authorities in each country, as well as with the sector's specific regulations.

Pharma Mar verifies compliance with these regulations through monitoring, follow-up and control in accordance with the principle of continuous improvement. In preclinical trials, it applies GLP (good laboratory practices) standards to ensure that the data generated are reliable and accurate, providing a solid basis for assessing drug safety.

Clinical trials follow GCP (good clinical practices) standards, providing public assurance of the protection of the rights, safety and well-being of trial subjects, according to protocols approved by the health authorities.

All clinical trials in which Pharma Mar participates directly or collaborates are approved prior to commencement by the competent national and/or international regulatory authorities and by independent clinical research ethics committees in the countries where the trial is being conducted. Pharma Mar also relies on a wide range of internal procedures aligned with regulations to ensure compliance and thus protect the rights, safety and well-being of participants and the integrity of the results obtained.

In the manufacturing phase, Pharma Mar adopts GMP (good manufacturing practices) standards to establish robust processes and procedures to control the production, control and release of both commercial drugs and those intended for clinical trials, ensuring that each batch is produced under sound and reproducible processes, in compliance with specifications and following standardized procedures.

In addition, during storage, transport and distribution, it applies GDP (good distribution practices) standards to preserve the supply chain, the quality of the drugs and maintain the cold chain until they are delivered to patients.

GDP standards also include measures against counterfeit medicines. In line with the European Union's Falsified Medicines Directive, Pharma Mar uses unique identifiers and systems on each unit of medicine.

In addition, the GVP (good pharmacovigilance practices) standards make it possible to monitor and manage the risks associated with drugs during their development and after they are marketed. Pharma Mar keeps its pharmacovigilance system up to date, prepares regular safety reports and trains its employees to report any adverse effects related to its products.

In addition to ensuring quality at all stages of the manufacturing process, Pharma Mar ensures the privacy of patient, customer, employees and supplier data by properly recording all the information for which it is responsible.

Strict adherence to these protocols ensures that Pharma Mar's drugs are safe and effective, fulfilling the company's goal of improving the health and quality of life of oncology patients.

Impact, risk and opportunity management

S4-1: Policies related to consumers and end-users

To ensure compliance with all the aforementioned regulations, Pharma Mar has an Integrated Policy on Quality, Prevention, and the Environment, as well as an Integrated Manual on Quality, Environment, and Occupational Risk Prevention for the entire company, both approved by the general management. Additionally, the company has implemented a quality system, all of which is coordinated by the Quality Unit.

The Quality Manual details the organizational framework, processes, and policies related to compliance with norms and standards of quality, safety and efficacy in clinical research, development, manufacturing, quality control, release and distribution of drugs.

Pharma Mar also has a General Personal Data Protection Policy, which sets out the general security rules applicable to the processing of personal data. The policy, which is adapted to the requirements of Regulation (EU) 679/2016 (GDPR, General Data Protection Regulation) and complies with national data protection laws, helps to ensure the security of personal data processed in the company and to prevent the alteration, loss, processing or unauthorized access to them.

As a complement to the Quality Policy, the Human Rights Policy establishes that one of its principles is to protect patients' safety by ensuring the quality and safety of their medicines and by monitoring and reporting incidents involving counterfeit drugs. This policy also states that Pharma Mar works to guarantee accessibility to medicines to improve health equity, while ensuring the sustainability of the business and under the criteria of guaranteeing supply and economic viability. All stakeholders have access to the Ethics Channel, through which they can report any incident. Its operation and the detail of communications received are described in section G1-1 of this Report.

S4-2: Processes for engaging with consumers and end-users about impacts

As explained above, Pharma Mar does not have direct contact with its patients during its business; it does so through third parties. As a result, Pharma Mar provides patients who receive its treatments with a series of communication channels for receiving incidents (Ethics Channel, pharmacovigilance). These channels are available for all stakeholders to report various incidents to the company, including those related to the quality of the drugs placed on the market.

Pharma Mar does not, therefore, have a general process for collaborating with the consumers or end users of its products, i.e. patients, on impact issues.

S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Quality Unit manages and resolves all complaints received, regardless of their origin or sender, regarding the quality of the products manufactured at its facilities or manufactured externally under its responsibility (contract manufacturing). All of them are subject to a procedure of registration, investigation of causes and resolution and documentation, as established in the Quality Complaints Management Protocol.

Notifications of adverse effects related to drugs are processed by the Pharmacovigilance Department in accordance with established internal procedures. Pharma Mar keeps the pharmacovigilance system file up to date and periodically prepares updated product safety reports. In addition, all employees receive training on pharmacovigilance so that they comply with their obligation to report any adverse effect of a company product that comes to their attention.

The quality claims database is periodically checked against the safety claims database to determine whether possible adverse effects produced by a drug could potentially be associated with deficiencies in its quality.

In this regard, during 2024 the Quality Unit received a total of eleven complaints, the same as in 2023. None of them entailed a risk to patient safety or involved the withdrawal of a product from the market.

Pharma Mar also has an Ethics Channel available to all its stakeholders, which allows them to report, confidentially and anonymously if they wish, any concerns, indications or suspicions related to conduct or potential irregularities regarding non-compliance or conduct contrary to applicable legislation or internal regulations, among other matters. It is accessible on the company's website (www.pharmamar.com), on the intranet, as well as by telephone or through the specific Speak Up application. All communications are received by the Regulatory Compliance Department, which analyzes them and establishes, if appropriate, the opening of a case in which the relevant investigators are included. Its operation is detailed in section G1-1 of this Report.

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions

The pharmaceutical sector is a highly regulated industry throughout its value chain. Therefore, the adoption of specific measures to address impacts, risks and opportunities requires compliance with current national and international legislation.

As previously mentioned in section SBM-3 of this ESRS S4, the entire process from development to commercialization and post-marketing is regulated by good practice standards, known as GxP (good x practices), which form a comprehensive framework that ensures that drugs are produced with the highest standards of quality and safety. Compliance not only protects patient health, but also strengthens the reputation and sustainability of the pharmaceutical industry, representing the main measure for managing the potential impacts detected.

Regarding privacy and data protection, which is another of the risks detected in the double materiality analysis, Pharma Mar has a General Personal Data Protection Policy that provides information on the following matters, among others:

- Why and for what purpose the personal data of company employees is processed.
- How clinical trial participant data are managed.
- How investigator data is managed in clinical trials.
- How the data of any third party from whom Pharma Mar processes personal data is handled.
- How long are the retention periods.
- Exercise of rights related to the data.

In addition, the company has a Data Protection Officer (DPO) and provides specific training to its employees on this matter. In 2024, the company did not receive any complaints related to data protection.

Metrics and targets

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Pharma Mar does not have specific patient-oriented goals in relation to the management of material negative impacts, the promotion of positive impacts and the management of material risks and opportunities beyond those established in the 2024 - 2026 Sustainability Plan, whose content is detailed in the "metrics and targets" section of ESRS 2. The company regularly monitors the actions included in the plan to assess their degree of compliance and propose alternative measures if the proposed targets are not met.

ESRS G1: BUSINESS CONDUCT

Governance

ESRS 2 GOV-1: The role of administrative, supervisory and management bodies

Pharma Mar's Board of Directors is responsible for establishing a culture of integrity, responsibility and sustainability through the Code of Conduct and all the policies and procedures developed thereunder.

The functions related to the supervision of business conduct are delegated to the Regulatory Compliance Department (hereinafter Compliance), which reports directly to the Chairman's Office and the Board of Directors, at least on an annual basis, on matters related to this matter. It is independent in the exercise of its responsibilities, and has functions relating to criminal compliance[6], pharmaceutical compliance, ensuring compliance with regulations and sectoral self-regulation codes, and data protection compliance. The Compliance Department is made up of people with extensive experience in legal regulation and standards, especially in the pharmaceutical sector.

Impact, risk and opportunity management

ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

The process for analyzing impacts, risks and opportunities is detailed in the ESRS 2 IRO-1 and 2 section of this report. For the sake of simplification, the following tables present the impacts, risks, and opportunities that, according to the previously defined thresholds, are considered relevant, along with corresponding information about them.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
G1 Corruption and bribery	G1 Prevention and detection, including training	Own operations / downstream	All phases	Employees	Failure to adopt anti-corruption measures could impact workers
G1 Corruption and bribery	G1 Incidents	Downstream	All phases	Patients	Unethical sales and marketing practices could impact patients
G1 Corruption and bribery	G1 Incidents	Downstream	All phases	Patients	Unethical practices could affect patients
G1 Corruption and bribery	G1 Incidents	Upstream / own operations	All phases	Employees in the value chain	Unethical practices could affect workers' rights
G1 Corruption and bribery	G1 Incidents	Upstream / own operations	All phases	Employees in the value chain	Unethical practices could impact the environment
G1 Corporate Culture	-	Own operations	All phases	Employees	Corporate culture management: positive impact on employees
G1 Animal welfare	-	Upstream	Preclinical trials	Planet	Impact on living organisms due to animal research and testing: upstream

[6] According to the provisions of the Criminal Code regarding the criminal liability of legal entities.

Relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
G1 Animal welfare	-	Upstream	Preclinical trials	Planet, shareholders	Perception or mistreatment of living organisms in the supply chain
G1 Political commitment	-	Own operations	All phases	Shareholders, patients, authorities	Reputational risk due to relationships with governments
G1 Political commitment	-	Own operations	All phases	Shareholders, patients, authorities	Risk due to lack of drug reimbursement
G1 Corruption and bribery	G1 Prevention and detection, including training	Downstream	Marketing and sales	Shareholders	Insufficient anti-corruption training in sales/marketing generates risks
G1 Corruption and bribery	G1 Incidents	Upstream/own operations	All phases	Shareholders, authorities	Opportunity to improve trust through the implementation of communication channels

G1-1: Corporate culture and business conduct policies and corporate culture

The fundamental pillar on which Pharma Mar's ethical model is based and which guarantees appropriate business conduct and corporate culture is the Code of Conduct. The purpose of the code is to formalize the principles and values that should guide the conduct of all Pharma Mar Group companies among themselves and in their relations with customers, partners, suppliers and, in general, with all persons and entities, both public and private, with whom they interact during their professional activity. Available on the company's website (www.pharmamar.com), it can be consulted in the five languages of the countries in which the company operates. To make it known among the staff, periodic training sessions are held on its contents, and other courses are also given, either in person or online, on different ethics and compliance topics. Details of the Compliance Training Plan are shown in section G1-3 of this chapter.

The code, as well as the Internal Reporting System Policy and its Ethics Channel, establish the channel as the way to report confidentially, and anonymously if desired, any concerns, indications or suspicions related to conduct or potential irregularities regarding non-compliance or conduct contrary to the law or Pharma Mar's internal regulations, including the Code of Conduct and other policies and procedures, specifically on the following matters: insider trading, antitrust, bribery or corruption, conflicts of interest, fraud, non-compliance with regulations and/or internal procedures, workplace harassment, human rights and the environment.

The Ethics Channel, which allows communications to be made in any language, is accessible on the company's website (Pharma Mar.com/en/sustainability/ethics-and-transparency/), on the intranet, by telephone, through the specific application SpeakUp by People Intouch or through the following QR code:

All communications are received by the Compliance Department, which acknowledges receipt within a maximum period of seven calendar days, analyzes them and establishes, if appropriate, the opening of a case. In addition to the Compliance Department, the members of the Regulatory Compliance Committee, a collegiate body with autonomous

powers of initiative and control entrusted with the function of supervising the operation of the Crime Prevention Model, or those persons whose intervention is considered strictly necessary to carry out the investigation in an adequate manner, may participate in the investigation of incidents, which are carried out promptly, independently and objectively, in addition to the Compliance Department. The committee is composed, in addition to the compliance director, of directors from the human resources, general secretary's office and corporate development departments. Its functions are regulated by the Statute of the Regulatory Compliance Committee. In the case of reports of workplace harassment, the person in charge of harassment prevention participates in the investigation.

The Ethical Channel establishes whistleblower protection as a basic requirement for its operation. The Internal Reporting System Policy and its Ethical Channel establishes the express prohibition of retaliation and whistleblower protection. Thus, the company will not tolerate the adoption of any type of retaliation, direct or indirect, as well as the threat or attempt of retaliation against the whistleblower or any other professional assisting him/her in the process. In addition, anyone who believes that he or she is a victim of retaliation is encouraged to report it through the means provided for in the policy.

At least once a year the Board of Directors and the Audit Committee are informed, among other matters, of the main milestones in the area of criminal prevention; about the different training courses given on the subject; about updated or revised policies or procedures related to compliance; about communications received through the Ethics Channel, possible breaches in ethics and associated corrective measures; well as about possible audits in the area of both ethical compliance and data protection.

During 2024, four communications were registered through the Ethics Channel, which represents a ratio of 0.8 per 100 employees, of which three were admitted for processing. The typology of the communications received was as follows:

Ethical Channel communications typology	Number
Corruption or bribery	0
Discrimination or harassment	3
Data protection	0
Conflicts of interest	0
Non-compliance with internal procedures and/or regulations	1
Insider trading or money laundering	0
Forced labor and/or human rights violations	0
TOTAL	**4**

Finally, regarding animal welfare, Pharma Mar is required by law to conduct preclinical trials with live organisms. In this regard, the Biodiversity Policy establishes the principles of reduction, replacement and refinement, which in practice means that the company will use as few biological resources as possible, replace them with other legally and operationally viable alternatives, and use techniques that generate the least possible disruption.

G1-3: Prevention and detection of corruption and bribery

To enforce the highest ethical standards, Pharma Mar has adopted a Crime Prevention Model to ensure compliance with applicable legislation and strive for ethical excellence,

and to prevent improper or unethical conduct, especially in relation to corruption and bribery, the law or internal procedures.

The Crime Prevention Model comprises the set of policies, procedures and best practices adopted by Pharma Mar, and reflects the company's commitment to a culture of compliance through the implementation of measures to prevent, detect and respond to potential compliance risks. These policies include the Anti-Corruption Policy, which shapes the measures and actions against any type of corruption, bribery or fraud.

The purpose of the Anti-Corruption Policy, which applies to the entire company, its directors, executives and employees, is to describe the guidelines to be followed in the relationships that the Pharma Mar Group and its professionals maintain with members of public authorities, whether or not they hold elected office, including healthcare professionals, or with individuals, in order to prevent and detect any type of conduct that could be considered unlawful or generate a situation of risk for the company.

The policy establishes a series of general guidelines for Pharma Mar's professionals to prevent corruption in the performance of their duties and in their dealings with members of the public administration, healthcare professionals and suppliers. It also establishes the appropriate framework for behavior in relation to offering, giving and accepting gifts and personal benefits, and in promotional events, collaborations, donations and sponsorships. In this regard, it is considered that, in addition to the Board of Directors and company executives, workforce who have direct dealings with healthcare professionals for work purposes and with members of the public administration have a greater exposure to risks related to corruption and bribery.

The Anti-Corruption Policy refers to the Ethics Channel for the communication of incidents related to possible breaches of this policy.

The Crime Prevention Model is made known to the workforce through different training courses. During 2024, as part of the Compliance Training Plan, which aims to promote a culture of compliance among the company's professionals, the following training courses were held:

- Training package for new recruits that includes, among other matters, general compliance issues, main aspects of the Crime Prevention Model, sector codes, insider trading obligations and basic notions of data protection.
- Classroom training on data protection for all Sylentis employees, as well as for new recruits whose duties require them to handle personal data on a regular or recurring basis.
- Nine training pills related to different ethics and compliance issues, such as the Gift Acceptance Policy, the clean desk policy, or the obligations of professionals and collaborators in relation to insider trading. During 2024, emphasis has been placed on this format, focusing not only on the content of the "information pills" but also on the format itself, seeking different and innovative options that seek to generate greater impact. In this regard, for example, a comic book was created in chapters. Each chapter starred a real employee and addressed a different issue under the slogan: "Clean Desk. Tidy up. Protect. Prevent". Another example of a pill was the preparation of a pocket guide on how to interact ethically with patients' associations.

It should be noted that members of the administrative, management and supervisory bodies receive training related to corruption and bribery when regulatory circumstances so require. All new hires, of any professional category, take a specific compliance course.

In 2024, Pharma Mar professionals received 341 hours of compliance training (125 on-site and 216 online). For those professionals with greater exposure to corruption or bribery risks, specific courses were given on the organization and proper management of Advisory Boards, on limits and proper communication prior to authorization of a prescription drug, and on the Ethics Channel.

Metrics and targets

G1-4: Confirmed incidents of corruption and bribery

In 2024 and prior years, there were no cases of corruption or bribery, and Pharma Mar has not been sanctioned for these reasons.

G1-5: Political influence and lobbying activities

Pharma Mar is characterized by absolute political neutrality, so it does not make any kind of payment to any political party, party representative or electoral candidates.

However, Pharma Mar is a member of industry associations such as Farmaindustria (Asociación Española Empresarial de la Industria Farmacéutica) and AseBio (Asociación Española de Bioempresas). Through its presence and collaboration in both organizations, Pharma Mar aims to contribute to the development and progress of the sectors in which it operates.

Pharma Mar is registered in the EU Transparency Register under identification number 840804329063-93

RESEARCH AND DEVELOPMENT

Research and Development (R&D) is essential for a pharmaceutical company because it enables it to discover new therapies to improve the quality of life of patients and ensure business continuity.

Therefore, the impacts, risks and opportunities related to R&D were included in the materiality analysis performed to determine the contents of the Report, which is detailed in section ESRS 2 IRO-1 and 2. For simplification purposes, the following tables show the impacts, risks and opportunities that, according to the previously defined thresholds, are considered relevant and are reported on.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
-	-	Own operations/ Downstream	Drug discovery	Shareholders, authorities, patients, business partners	Positive impact due to identification of alternative therapeutic targets

Relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
-	-	Upstream	Preclinical and clinical trials	Shareholders, authorities, planet, patients, business partners	Best practices in clinical and preclinical trials
-	-	Upstream/ own operations	Clinical trials	Shareholders, authorities, planet, patients, business partners	Effectiveness in clinical trials
-	-	Upstream	Clinical trials	Shareholders, authorities, patients, business partners	Difficulty of interpretation of test results
-	-	Own operations	Drug discovery	Shareholders, authorities, patients, business partners	Identification of therapeutic targets
-	-	Own operations	Patents and trademarks	Shareholders, authorities	Risks of not being able to patent or refusal of the patent
-	-	Upstream / own operations	Pharmaceutical development	Shareholders, authorities, patients, business partners	High manufacturing cost
-	-	Own operations	Pharmaceutical development	Shareholders, authorities, patients, business partners	Complex synthesis of compounds
-	-	Upstream/ own operations / downstream	All phases	Shareholders, authorities, patients, hospitals, business partners	Use of new technologies for R&D, drug design and manufacture

R&D investment at December 31, 2024 amounted to 103.5 million euros, an increase of 5% compared to the previous year.

This growth is directly related to increased activity in connection with ongoing clinical trials, mainly the LAGOON trial (Phase III clinical development in the indication of small cell lung cancer), which has already completed patient enrollment, and SaLuDo (Phase IIb/III clinical development in the indication of leiomyosarcoma), both involving Zepzelca.

In addition, the company is investing in the clinical development of other molecules at earlier stages. Thus, two Phase II clinical trials are under way with ecubectedin in solid tumors, and Phase I clinical trials are also under way with PM534 and PM54 for the treatment of solid tumors. In addition, progress continues to be made in the preparation of new candidates for clinical development and in preclinical trials to bring new molecules into the clinical pipeline. Of the total amount allocated to R&D, 4.9 million euros (10.8 million euros in 2023) corresponds to the costs incurred in the development of plitidepsin for treatment as an antiviral, which are recorded within the oncology segment.

In the RNA interference segment, the main R&D expenditure corresponds to the activities carried out in the Phase II clinical trial of the compound SYL1801, for the treatment and/or prevention of choroidal neovascularization, a common cause of retinal diseases such as age-related macular degeneration (AMD) or diabetic retinopathy, for which patient enrollment was completed in 2024.

The company's R&D efforts were recognized by “The 2024 EU Industrial R&D Investment Scoreboard”, which once again ranked Pharma Mar as the Spanish company that invests most in R&D in relation to revenues, ranking second in R&D per number of employees.

For more information on Pharma Mar's R&D activities, see section 7 of the 2024 Management Report, available at www.pharmamar.com

CYBERSECURITY

Pharma Mar deemed it relevant to analyze the impacts, risks and opportunities related to cybersecurity in connection with its business, since the nature of its activities makes it necessary to have mechanisms in place to protect confidential information, ensure business continuity and mitigate legal and financial risks.

Therefore, the process of analyzing impacts, risks and opportunities, explained in detail in section ESRS 2 IRO-1 and 2 of this Report, has included among the issues to be considered some related to cybersecurity. For simplification purposes, the following tables show the impacts, risks and opportunities that, according to the previously defined thresholds, are considered relevant.

The relevant impacts are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Impact
-	-	Upstream / own operations / downstream	All phases	Shareholders, authorities, patients, business partners	Negative impact of cyber-attacks

Relevant risks and opportunities are as follows:

Subtopic	Sub sub topic	Value chain	Value chain stage	Stakeholder	Risk / opportunity
-	-	Upstream / own operations	Preclinical and clinical trials	Shareholders, authorities, planet, patients, business partners	Risk of privacy of results in clinical and preclinical trials

The Board of Directors is responsible for overseeing cybersecurity-related matters at Pharma Mar and is informed, either directly or through its committees, on this subject when circumstances so require.

Pharma Mar has an Information Systems Security Policy, applicable to all its employees and work centers, the purpose of which is as follows:

- To make all users of IT resources aware of their responsibilities regarding the security of IT systems.
- Ensure active protection of IT resources, data, information and information processes in accordance with approved security practices, in order to comply with applicable legal requirements and regulations.
- Ensure that only duly authorized workforce have access to the information contained in the IT systems, and only for matters related to Pharma Mar's activities.
- Ensure that electronic approvals are performed securely, by duly authorized workforce.

The policy contains various security standards for protection against viruses and malware, Internet use, passwords and IDs, portable devices, and data processing centers.

Pharma Mar's employees take regular training courses on cybersecurity to prevent possible computer attacks and raise awareness of the correct use of technology in the workplace.

Finally, in 2024, Pharma Mar underwent a gap analysis to determine the company's maturity level regarding compliance with the obligations set out in the NIS (Network and Information Security) regulatory framework. As a result, a series of recommendations and areas for improvement were identified, which the company will implement progressively.

ANNEX I: additional information

Description of each of the stages of the value chain.

1. **Marine expeditions and sampling:** Pharma Mar conducts expeditions around the world to collect samples of marine invertebrates from which to obtain active ingredients that show activity on tumor cells. The expeditions are generally carried out in regions of high marine biodiversity, often located in developing countries, and all take place within the framework of previously signed research contracts that comply with the Rio de Janeiro Convention and the Nagoya Protocol. The extraction of samples, whose unit quantity does not exceed 200 grams, is carried out by specialized divers whose mission is to select the marine invertebrates from which to obtain them. Each sample is labeled from the moment of extraction, guaranteeing its traceability from its origin to its final study. The samples are frozen and transported by sea to Pharma Mar's laboratory, following strict protocols in accordance with international laws on the transport of biological products. Once in the laboratory, each sample is identified according to its biological taxonomy, which allows for an in-depth knowledge of marine biodiversity. Thanks to more than 200 expeditions in 35 countries to date, Pharma Mar has a collection of more than 400,000 marine samples.
2. **Drug discovery (screening):** to determine the antitumor activity of the extracts prepared from the marine samples, they are evaluated on a panel of tumor cells. Those extracts that show antitumor activity are subjected to a fractionation and purification process that allows the isolation of the compounds responsible for such activity.
3. **Patents and trademarks:** patents in the biopharmaceutical industry are fundamental, as they grant companies the exclusive right to manufacture, use and market a drug for a certain period of time, protecting their innovations from competitors. This exclusivity is vital in a sector where drug development requires a very high investment in terms of time, resources and capital**.** It is also essential to register those trademarks that could be used in the future commercialization of drugs.
4. **Analytical and pharmaceutical development:** to reduce dependence on natural sources for obtaining active compounds, chemical processes are designed to synthesize them in sufficient quantities to continue the research process. In addition, to select the most suitable compound to start preclinical trials and future clinical trials, medicinal chemistry programs are also initiated to obtain compounds analogous to the original. Once the active compound has been obtained through chemical synthesis, its possible formulation is studied, defining the presentation that will be evaluated in biological models. In Pharma Mar's case, pharmaceutical development is carried out both internally and in collaboration with suppliers.
5. **Preclinical trials:** this basic research stage is aimed at determining the activity of the active ingredient in different types of tumors. The mechanism by which the selected compound induces tumor cell death is also investigated, assessing whether it is selective towards certain specific tumors and whether its efficacy improves in combination with other drugs. Regulatory toxicity studies are also conducted to ensure the compound's safety before its application in clinical trials with humans.

6. **Production:** the industrial-scale development stage consists of defining a process that guarantees the clinical and commercial supply of the products, which will form part of the registration application dossier required to obtain authorization to market the drugs. Once the processes have been defined, the investigational drugs are prepared and packaged and distributed to the locations where they are needed for clinical trials. Pharma Mar carries out the physical distribution of its drugs through external suppliers.
7. **Clinical trials:** this is the link between basic research and health care. The clinical trials phase comprises three phases in which the drug is tested in humans to evaluate its safety, efficacy and optimal dose, and to assess its benefit/risk balance. Each phase of clinical trials is critical to ensure that the drug is safe and effective prior to market launch, which protects patients and helps meet stringent regulatory requirements. Clinical trials are conducted by companies called clinical research organizations (CROs).
8. **Registration:** once the quality, safety and efficacy of a drug have been demonstrated in the previous stages, the competent authorities in each country or region (the European Medicines Agency (EMA) in Europe or the Food and Drug Administration (FDA) in the United States) must authorize the marketing of a drug. Once this authorization has been obtained, pharmaceutical companies must apply for and negotiate the price and reimbursement of the drug with the competent local institutions.
9. **Marketing and sales:** for the commercialization of drugs, the commercial launch and sale of the drug is carried out. This process involves the coordination of several activities, such as the identification and definition of the product profile, to position it in the market and differentiate it from the competition. In addition, promotional and educational activities are carried out among medical professionals to optimize the drug's sales potential. In addition, relationships are established with medical societies, opinion leaders and patient associations, and the company's participation in national and international congresses, scientific meetings and other events is planned and coordinated.
10. **Post-authorization studies:** also known as Phase IV studies, post-authorization studies are vital for monitoring the safety (pharmacovigilance) and efficacy of a drug once it has been approved and used in a larger population and for a longer period of time. This ensures that drugs remain safe and effective in the long term, looks for rare or unanticipated side effects that were not detected in earlier trials, and observes responses to treatments in combination with other therapies or drugs.

2. Major IROs identified, analyzed and evaluated in the subsequent phases of the double materiality analysis for each of the thematic ESRSs.

ESRS E1: climate change	Impacts	Pharma Mar's activities generate greenhouse gas emissions directly and indirectly, but there are adaptation and mitigation mechanisms to reduce those emissions. In addition, climate change could have an impact on the supply chain, disrupting it.
	Risks	Pharma Mar's climate change-related risks include those related to possible medium- and long-term regulatory changes that require it to reduce emissions, thereby increasing operating costs. There are also physical risks that could lead to disruptions in the supply chain that could affect Pharma Mar's production capacity.
	Opportunities	Compliance with Pharma Mar's decarbonization targets will reduce its CO_2 emissions and its exposure to new regulations. In addition, climate change mitigation measures such as the installation of photovoltaic solar panels will protect the company's operations in the short term from energy market instability, providing a competitive advantage and reducing operating costs.
ESRS E2: pollution	Impacts	In its production and R&D processes, Pharma Mar uses plastics and chemical substances (solvents and reagents, among others), generating atmospheric pollutants and waste that could affect the air, water and soil, or contribute to the bioaccumulation of pollutants in the food chain if they are not adequately treated.
	Risks	Since Pharma Mar uses potentially toxic substances in its production processes, the company faces risks due to regulatory changes on hazardous substances, which could generate additional costs to ensure compliance. In addition, human exposure to these substances in some production stages also entails potential risks due to contact with them.
	Opportunities	Adapting production processes to the use of less polluting substances and promoting reuse, recycling and recovery could result in lower operating costs.
ESRS E3: water and marine resources	Impacts	Water consumption by Pharma Mar and/or its suppliers may contribute to increased water stress in certain areas, while uncontrolled wastewater discharge could have a negative impact on the environment.
	Risks	Pharma Mar uses water in its production processes, which could pose a risk under certain conditions of water stress if appropriate preventive measures are not taken. Also, expeditions to obtain samples could pose a risk of pollution of marine resources if they are not carried out in accordance with established protocols.
	Opportunities	The main opportunity for Pharma Mar lies in the uniqueness of its business model, which consists of identifying active ingredients to develop drugs from marine invertebrates.
ESRS E4: Biodiversity and ecosystems	Impacts	Pharma Mar's exploration activities take place in areas of high biodiversity; therefore, the company's activities could have a negative impact on marine ecosystems if they are not carried out properly.
	Risks	Increased environmental legal requirements and the need to manage potential impacts on biodiversity and climate change could affect Pharma Mar's operations, increase costs and/or make it more difficult to take samples. In addition, the loss of biodiversity in certain regions could reduce the availability of invertebrates from which to obtain samples for further research.
	Opportunities	The use of Pharma Mar's library of marine samples, comprising some 400,000 samples and developed through expeditions that the company has been conducting for years, for research in fields other than oncology could represent a source of additional revenue.
ESRS E5: circular economy	Impacts	Pharma Mar uses raw materials and equipment that generate polluting waste that must be properly managed. Where feasible, the recovery and reuse of hazardous and non-hazardous waste would reduce the company's environmental footprint, reducing the consumption of raw materials and promoting sustainability in its operations.
	Risks	Hazardous waste management that does not comply with legal requirements could result in penalties and/or fines with the consequent economic damage, in addition to putting the health and safety of employees at risk. Likewise, responsibility for waste management extends to the value chain, where contracting with suppliers without adequate environmental management could have a negative impact on the environment.
	Opportunities	Promoting the circular economy in the company's production processes could lead to a reduction in costs and a lower environmental impact due to the efficient use of resources.
ESRS S1: own workforce	Impacts	The negative impacts that Pharma Mar's activities could have on its own workforce could include lack of social dialogue, inadequate security conditions, gender inequality, poor management of personal data, lack of work/life balance, and lack of professional development. On the other hand, positive impacts on its workforce include the payment of competitive salaries and investment in technology and training, which result in improved financial well-being, job satisfaction and employee commitment.
	Risks	Talent drain and other potential reputational and financial risks are the main risks from the point of view of the company's own workforce. Proper human resources management, including fair wages, job stability, equality, diversity or dialogue mechanisms, among others, could mitigate these risks.
	Opportunities	Offering competitive salaries and work-life balance programs could help Pharma Mar attract and retain qualified local and international talent, improving diversity, innovation and competitiveness.
	Impacts	Pharma Mar requires goods and services from third parties to carry out its activities. The main impacts on workers in the value chain could arise from the failure of suppliers and partners to implement control measures in the areas of occupational safety, gender equality, work-life

ESRS S2: value chain workers		balance and data protection. Certain rights, such as collective bargaining or the abolition of child or forced labor, could also be compromised.
	Risks	There are legal, financial and reputational risks in the event that suppliers and/or business partners do not comply with ethical and cybersecurity standards. Likewise, failure to observe high standards on child or forced labor, social dialogue, safety, gender equality or diversity in the supply chain could result in disruptions and/or reputational damage.
	Opportunities	The development of digital and technological skills of Pharma Mar's suppliers, mainly CROs, could accelerate innovation and improve the results of clinical trials, resulting in shorter research periods, benefiting oncology patients and generating additional revenues for the company.
ESRS S3: affected groups	Impacts	Pharma Mar's sample-collection expeditions sometimes take place in locations where indigenous communities live, which could be affected if appropriate measures are not taken. The company's agreements with public and private entities with which it collaborates generate employment, promote pharmaceutical innovation and strengthen the local scientific infrastructure by transferring technology and knowledge.
	Risks	Expeditions often require special permits to access certain areas. Therefore, Pharma Mar could be affected by restrictions if local governments do not grant the corresponding authorizations for sample extraction due to the presence of indigenous communities or for other reasons.
	Opportunities	In each expedition, agreements are signed with universities and/or local organizations to promote research and the transfer of technology and knowledge. As a result, local health systems are improved, the company's reputation is enhanced and Pharma Mar's positioning and growth as a company that discovers, develops and markets anti-tumor drugs inspired by marine organisms is strengthened
ESRS S4: consumers and end users	Impacts	Pharma Mar's business involves dealing indirectly with participants in clinical trials and patients. Therefore, there could be potential harm from clinical trials or the application of drugs, lack of access to medicines in low-income countries, or security breaches that could compromise data integrity. However, due to Pharma Mar's own business, the benefits for patients, including the pediatric population, would be significant since they would improve the quality of life and life expectancy of oncology patients.
	Risks	Patient safety, both from the point of view of managing information from clinical trials and drug efficacy, is a concern for Pharma Mar since if these risks materialize, they could lead to civil liability claims, sanctions by the competent public authorities in the area of competition, or loss of corporate reputation. Also, errors in the cold chain and/or problems in the transport of samples could compromise the efficacy of drugs and the health of patients if appropriate measures are not taken.
	Opportunities	Compassionate use programs and agreements with commercial partners could expand the distribution range of Pharma Mar's drugs to a larger number of patients.
ESRS G1: business conduct	Impacts	An ethical and upstanding corporate culture can benefit society as a whole and provide a positive working environment for employees. However, not having adequate mechanisms in place to prevent incidents related to corruption and/or bribery could result in price increases, reduced quality or damage to corporate reputation. In addition, due to the nature of the pharmaceutical industry, preclinical trials use validated biological models to evaluate the safety and efficacy of compounds before commencing clinical studies in humans.
	Risks	Possible violations of the Code of Conduct or the company's internal regulations could lead to illegal conduct and legal risks, inducing a negative perception of Pharma Mar's corporate culture that could damage its reputation, reduce the confidence of potential partners, and make it difficult to attract talent. In addition, the use of biological models in preclinical trials could generate controversy among certain groups.
	Opportunities	A corporate culture of ethics and integrity could generate trust among the company's stakeholders, facilitating access to new business partners, strengthening the sense of belonging and reinforcing organizational cohesion.
Research and Development	Impacts	The incorrect identification of therapeutic targets can lead to the loss of natural resources and affect the marine ecosystem by discarding compounds. However, using products to treat diseases other than those foreseen can generate new lines of treatment, benefiting more patients with various medical pathologies.
	Risks	Clinical and preclinical trials must be conducted in a safe and compliant manner to avoid legal and reputational risks. Lack of effectiveness of a molecule in humans, after showing promise in preclinical studies, can disrupt its development and result in economic losses. Inconsistencies in trial results can hinder drug approval and generate additional costs.
	Opportunities	The use of emerging digital technologies in the research and development, drug design and manufacturing phases could reduce preclinical and clinical trial periods, increasing Pharma Mar's revenues.
Cybersecurity	Impacts	Computer attacks on Pharma Mar's network and information repositories can compromise the confidentiality of sensitive data, such as clinical trial results, drug formulas and commercial strategies, as well as the availability of systems, and can disrupt essential operations and affect the company's ability to guarantee supply.
	Risks	The results of preclinical and clinical trials are highly sensitive data for Pharma Mar, and their irresponsible use could lead to leaks or unauthorized disclosure of strategic information. This could give other companies a competitive advantage and erode Pharma Mar's position and damage its corporate reputation.

European Taxonomy Tables

The following is a detail of the eligible and aligned activities according to turnover, CapEx and OpEx in accordance with the provisions of Annex II of Delegated Regulation 2021/2178 of July 6.

Economic activities	Codes	Turnover [thousands of €] [thousands €].	Turnover ratio year 2024 [%] [%].	Substantial contribution criteria						DNSH Criteria						Minimum safeguards (Y/N)	Proportion of turnover conforming to taxonomy (A.1.) or eligible according to taxonomy (A.2.), year 2023 [%].	Facilitating activity category	Transition activity category
				Climate change mitigation [%].	Climate change adaptation [%].	Water and marine resources [%].	Circular economy [%].	Pollution [%].	Biodiversity and ecosystems [%].	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)				
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
Total turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%		
Of which: facilitators	-	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	F	
Of which: transitional	-	0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)																			
Manufacture of active pharmaceutical ingredients (APIs) or active substances	**PPC 1.1**	14,565	8.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N	Y	Y	Y	Y	Y	Y	7.1%		
Drug manufacturing	**PPC 1.2**	51,977	29.7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N	Y	Y	Y	Y	Y	Y	37.6%		
Turnover from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)	-	66,542	38.1%	0.0%	0.0%	0.0%	0.0%	38.1%	0.0%								44.7%		
A. Turnover taxonomy-eligible activities (A.1.+A.2.)		**66,542**	**38.1%**	0.0%	0.0%	0.0%	0.0%	38.1%	0.0%								44.7%		
B. NON-ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
Turnover from non-eligible taxonomy activities (B)		**108,313**	**61.9%**																
TOTAL		**174,855**	**100%**																

	Turnover / total turnover ratio	
	aligned according to taxonomy by objective	**eligible according to taxonomy by objective**
Climate change mitigation	0.0%	0.0%
Climate change adaptation	0.0%	0.0%
Water and marine resources	0.0%	0.0%
Circular economy	0.0%	0.0%
Pollution	0.0%	38.1%
Biodiversity and ecosystems	0.0%	0.0%

Economic activities	Codes	CapEx [thousands of €] [thousands of €] CapEx [thousands of €] CapEx	CapEx ratio year 2024 [%].	Substantial contribution criteria: Climate change mitigation [%].	Climate change adaptation [%].	Water and marine resources [%].	Circular economy [%].	Pollution [%].	Biodiversity and ecosystems [%].	DNSH Criteria: Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum safeguards (Y/N)	Proportion of CapEx conforming to taxonomy (A.1.) or eligible according to taxonomy (A.2.), year 2023 [%].	Facilitating activity category	Transition activity category
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**	85	0.5%	S	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.7%	F	
Total CapEx of environmentally sustainable activities (taxonomy-aligned) A.1.		85	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.7%		
Of which: facilitators		0	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	F	
Of which: transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)																			
Renovation of existing buildings	**CCM 7.2 / CE 3.2**	900	5.1%	S	N/EL	N/EL	N/EL	EL	N/EL	Y	Y	N	Y	Y	Y	Y	48.8%		
Installation, maintenance and repair of energy-efficient equipment	**MCC 7.3**	0	0.0%	S	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.3%		
Manufacture of active pharmaceutical ingredients (APIs) or active substances	**PPC 1.1**	37	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N	Y	Y	Y	Y	Y	Y	2.0%		
Drug manufacturing	**PPC 1.2**	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N	Y	Y	Y	Y	Y	Y	0.6%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) A.2.		937	5.3%	5.1%	0.0%	0.0%	0.2%	0.0%	0.0%								52.5%		
A. CapEx of taxonomy-eligible activities (A.1.+A.2.)		**1,021**	**5.8%**	49.9%	0.0%	0.0%	2.6%	2.6%	0.0%								52.5%		
B. NON-ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
CapEx of non-eligible activities according to taxonomy (B)		**16,541**	**94.2%**																
TOTAL		**17,562**	**100%**																

	CapEx/Total CapEx ratio	
	aligned according to taxonomy by objective	**eligible according to taxonomy by objective**
Climate change mitigation	0.5%	5.9%
Climate change adaptation	0.0%	0.0%
Water and marine resources	0.0%	0.0%
Circular economy	0.0%	0.0%
Pollution	0.0%	0.2%
Biodiversity and ecosystems	0.0%	0.0%

Economic activities	Codes	OpEx [thousands of €].	Proportion of OpEx year 2024 [%].	Substantial contribution criteria						DNSH Criteria							Minimum safeguards (Y/N)	Proportion of OpEx conforming to taxonomy (A.1.) or eligible according to taxonomy (A.2.), year 20223 [%].	Facilitating activity category	Transition activity category
				Climate change mitigation [%].	Climate change adaptation [%].	Water and marine resources [%].	Circular economy [%].	Pollution [%].	Biodiversity and ecosystems [%].	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and Ecosystems (Y/N)					
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																				
A.1. Environmentally sustainable activities (conforming to the taxonomy)																				
Professional services related to the energy efficiency of buildings	**MCC 9.3**	3	0.0%	EL	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.0%	F	
Total OpEx of environmentally sustainable activities (taxonomy-aligned) A.1.		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%		
Of which: facilitators		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	F	
Of which: transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)																				
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**	0	0.0%	S	N	N	N	N	N								0.02%		
Manufacture of active pharmaceutical ingredients (APIs) or active substances	**PPC 1.1.**	144	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	0.1%		
Drug manufacturing	**PPC 1.2.**	6	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	N	Y	Y	Y	Y	Y	Y	0.1%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) A.2.		150	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%								0.2%		
A. OpEx of taxonomy-eligible activities (A.1.+A.2.)		**153**	**0.1%**	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%								0.2%		
B. NON-ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																				
OpEx of non-eligible activities according to taxonomy (B)		**108,319**	**99.9%**																	
TOTAL		**108,472**	**100%**																	

	OpEx / total OpEx ratio	
	aligned according to taxonomy by objective	**eligible according to taxonomy by objective**
Climate change mitigation	0.0%	0.0%
Climate change adaptation	0.0%	0.0%
Water and marine resources	0.0%	0.0%
Circular economy	0.0%	0.0%
Pollution	0.0%	0.1%
Biodiversity and ecosystems	0.0%	0.0%

ANNEX II: 11/2018 law additional information

This Annex II shows those contents whose reporting is mandatory according to Law 11/2018, on non-financial information and diversity, but are not covered by the European Sustainability Reporting Standards. They are the following:

Supplier relationship management

Pharma Mar's supply chain management is determined by the Purchasing Policy, which establishes the overall framework for controlling the risks inherent in the activities of purchasing materials and equipment and contracting works and services. The policy establishes the following basic principles for the purchasing process:

- Segregation of duties between requester and buyer.
- Concurrence of suppliers and competition.
- Transparency in the decision-making process.
- Respect and promotion of ethical and environmental guidelines.
- Objectivity in the processes and award criteria.
- Rigorous compliance with internal and external regulations applicable to each process.

The policy includes as one of its annexes the Code of Conduct in the Supply Chain, whose purpose is, taking as a reference the Ten Principles of the United Nations Global Compact, to extend to the value chain principles related to fundamental workers' rights, environmental protection and the maintenance of an ethical conduct. The code, approved in 2023, is made known to all new suppliers and is being gradually distributed to suppliers with whom there were already commercial ties before that date.

The supplier selection process is managed between the procurement organization and the department requesting the product or service. Additionally, the Quality Unit and/or the Occupational Risk Prevention Department may also participate in the case of the most critical suppliers.

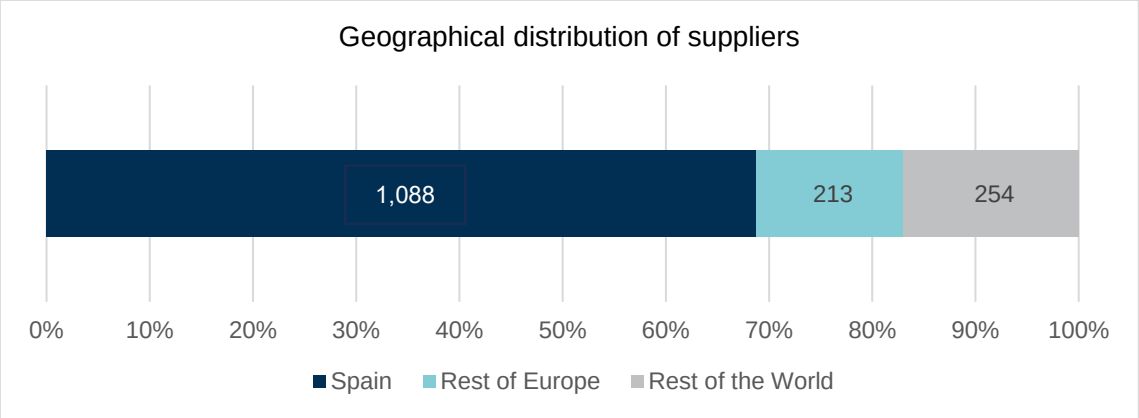
The purchasing management process seeks, as a rule, to establish long-term business relationships and the selection of local and/or national suppliers. In addition, other parameters are considered when making purchasing decisions. These include criteria such as security of supply, quality, cost, innovation, applicable regulations and sustainability.

In general, all suppliers of goods and services must be approved before they can offer their products and services to Pharma Mar. This process is carried out in coordination with the areas involved and ensures that the supplier meets minimum quality standards and sustainable purchasing requirements.

In this regard, during 2024, a series of document audits have been carried out in which the environmental management system, the health and safety system and the code of ethics, among other matters, have been assessed, reaching 59% of the suppliers of both services and the most critical materials. The company is working to incorporate an IT tool

that will enable it to perform an automated analysis of the sustainability performance of its suppliers, thus favoring the extension of the principles contemplated in the Code of Ethics in the Supply Chain to its value chain.

At the end of 2024, Pharma Mar had a total of 1,494 suppliers, 96% of which were located in OECD countries. The geographical distribution of suppliers is as follows:



Contributions to foundations and non-profit organizations

Pharma Mar actively participates in actions that contribute to the development of society, either through the Pharma Mar Foundation or through initiatives supported by the various corporate departments. Contributions and non-profit foundations amounted to 167,794 euro in 2024 (82,963 euro in 2023).

These initiatives include those in health and research, which the company supports in order to promote the fight against different types of cancer.

The Pharma Mar Foundation channels a large part of the company's social action through contributions or activities related to its foundational purposes:

- Contribute to the maintenance and development of scientific research at national and international level.
- Promote science in the field of health and promote scientific research through the development of activities that encourage it.
- Promote the development of medicine, the improvement of patient care, the training of professionals and medical and health education in general.
- Disseminate the Group's scientific knowledge and innovation to society, as well as knowledge and innovation in the scientific and health areas in general.
- Contribute to the knowledge and defense of marine biodiversity.

In 2024, some of the actions developed by the Foundation in the field of research, training and knowledge dissemination were as follows:

- Cycle of eight scientific conferences organized entirely by the Foundation and an additional one in collaboration with the National Archaeological Museum, attended by almost 1,000 people (an increase of 40% over 2023).
- Development of a guide to tunicates, to be published in 2025. This milestone represents the culmination of an exhaustive research and classification of these marine organisms that have shown enormous potential for biomedical research.

- Training sessions for journalists, organized in collaboration with the *Asociación Nacional de Informadores de la Salud*, in which 28 journalists from the general media, specialized in health, economics and news agencies participated.
- II Edition of the Argonauta Awards, which recognize excellence and innovation in the scientific and health fields. In this edition, awards were given to professionals and projects that are redefining the limits of knowledge, from advances in cancer immunotherapy to research in biomarkers and personalized therapies.
- Financial aid for complementary training of fifth year residents (R5) in Medical Oncology.
- Financial support for the creation of *Aula Sarcoma* by the Multidisciplinary Unit of Sarcomas and Musculoskeletal Tumors of the Gregorio Marañón Hospital.
- Collaboration with the Mari Paz Jimenez Casado Foundation in relation to various initiatives for the dissemination of sarcoma.
- Collaboration with the Musicians for Health initiative, which supports micro-concerts in hospitals in Madrid to improve the emotional well-being of patients and their families.

More information about Pharma Mar Foundation at www.fundacionpharmamar.com

Partnership or sponsorship actions

Pharma Mar also collaborates with various industry associations and non-profit organizations in the pharmaceutical industry. In 2024, the company allocated a total of 429,122 euro (492,105 euro in 2023) to these initiatives. Among the contributions made, the following are noteworthy:

- Sponsorship, participation and presentations at various national and European events, congresses and scientific meetings.
- Collaboration with medical associations and biomedical groups that develop independent research projects in cancer and epidemiology.
- Membership in different industry associations, such as the Spanish Association of Biocompanies (AseBio) and the National Business Association of the Pharmaceutical Industry (Farmaindustria).

Tax information and subsidies received

Pharma Mar pays special attention to compliance with its tax obligations in the countries where it operates.

The tax contribution regarding income taxes paid per country of the Group amounted to 46,472 euros in 2024 (516,859 euros in 2023). The following table breaks down the indicated tax contribution, considering on a cash basis the total payments made in each country for income tax for the fiscal year 2023, as well as the payments on account of income tax for the fiscal year 2024.

Tax contribution per country (euros)	Profit (before tax)	Payments of corporate income tax FY 2024	Payments of corporate income tax FY 2023	Corporate income tax paid 2024	Corporate income tax paid 2023
Germany	68,923	19,779	0	19,779	19,779
Austria	25,814	9,000	0	9,000	23,741
Belgium	15,598	10,000	6,664	16,664	13,691
Spain	11,737,469	2,210,818	0	0	454,952
France	55,490	0	0	0	0
Italy	57,646	0	0	0	0
Sweden	3,052	0	0	0	0
Switzerland	10,837	0	765	765	728
China	0	0	0	0	0
United States	11,278	264	0	264	3,968
TOTAL	**11,986,107**	**2,249,861**	**7,429**	**46,472**	**516,859**

In application of the minimum installment payment system based on the accounting result, the Group has paid the amount of 2,249,861 euros. Under the accrued tax base method, which reproduces the method used to settle corporate income tax, the amount payable in 2025 will be offset by the payments on account made in 2024; therefore, Pharma Mar has recognized a collection right for that amount.

It also includes a detail of the income obtained on a country-by-country basis, understood as income before taxes, as indicated in the Notes to the Consolidated Financial Statements (note 23 "Deferred taxes and income taxes").

The amount of grants recognized in 2024 was 1,224,809 euros (588,792 euros in 2023), with 788,789 euros collected by cash in the year (492,691 euros in 2023).

ANNEX III: requirements of law 11/2018 regarding non-financial information and diversity

Below is the table showing the contents required by Law 11/2018, of December 28, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing of Accounts, in terms of non-financial information and diversity.

AREA	CONTENTS	REPORTING CRITERIA	PAGE
GLOBAL			
Business model			
	Description of the business model including its business environment, organization and structure.	ESRS 2, E1-2, E1-4, E2-1, E2-3, E3-1, E3-3, E4-2, E4-4, E5-1, E5-3, S1-1, S1-5, S2-1, S2-5, S3-3, S3-5, S4-1, S4-5, G1-1	10-12
	Markets in which it operates.		13
	Organizational targets and strategies.		10-12
	Main factors and trends that may affect its future development.		11
	Principle of materiality.	ESRS2 IRO-1; ESRS2 IRO-2; ESRS2 SBM-3	15-20
	Management approach: policies and risks.	ESRS2 MDR-P; E1-2; E2-1; E3-1, E4-2; E5-1; G1-1; S1-1; S2-1; S3-1; S4-1	15, 24, 30, 49, 53, 55, 61, 62
ENVIRONMENTAL ISSUES			
Environmental management			
	Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety, environmental assessment or certification procedures.	ESRS2 IRO-1; ESRS2 MDR-A; E1-3; E2-2; E3-2; E4-3; E5-2	15, 24, 31, 46, 50, 54, 56
	Resources dedicated to environmental risk prevention.		
	The application of the precautionary principle, the amount of provisions and guarantees for environmental risks.		
Pollution			
	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment.	ESRS2 MDR-T; ESRS2 MDR-A; E2-2; E2-3	24, 25, 46, 47
Circular economy and waste prevention and management			
	Waste: revention measures, recycling, reuse, other forms of recovery and disposal of waste.	ESRS 2 MDR-A; E5-2	24, 56
	Actions to fight food waste.		

Sustainable use of resources		
Water consumption and water supply in accordance with local limitations.	E3-4	50
Consumption of raw materials and measures adopted to improve the efficiency of their use.	E5-4	Non-material
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies.	ESRS 2 MDR-A; E1-3, E1-5	24, 31, 33
Climate Change		
Significant elements of the greenhouse gas emissions generated	E1-6	34
Measures adopted to adapt to the consequences of climate change.	ESRS 2 MDR-A; E1-1; E1-3; E1-7; E1-8	24, 26, 31, 36
The reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions and the means implemented to this end.	ESRS 2 MDR-T; E1-1; E1-4	25, 26, 31
Green taxonomy of the European Union.		36
Biodiversity protection		
Measures taken to preserve or restore biodiversity.	ESRS2 MDR-A; E4-3	54
Impacts from activities/operations in protected areas.	E4-5	54
SOCIAL AND WORKFORCE ISSUES		
Employment		
Total number and distribution of employees by gender, age, country, and occupational classification.	S1-6; S1-9	64-68, 70
Total number and distribution of employment contracts.	S1-6	64-68, 70
Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational classification.	S1-6	64-68, 70
Number of layoffs by gender, age and occupational classification.	S1-6	64-68, 70
Average salaries and their evolution broken down by gender, age and professional classification or equal value.	S1-16	73-76
Gender pay gap, the remuneration of equal or average jobs in society.	S1-16	73-76
Average compensation of directors and executives, including variable compensation, per diems, indemnities, payments to long-term savings plans, and any other payments broken down by gender. Total annual compensation ratio.	S1-16	73-76
Implementation of work disconnection policies.	ESRS2 MDR-P; S1-1	24, 61
Employees with disabilities.	S1-12	71
Work organization		
Organization of working time.	ESRS2 MDR-P; S1-1	24, 61

	Number of hours of absenteeism.	S1-14	73
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of these rights by both parents.	ESRS2 MDR-T; ESRS2 MDR-A; S1-4; S1-5; S1-15	62, 63, 73
Health and safety			
	Occupational health and safety conditions.	S1-11; S1-14	70, 72
	Occupational accidents, in particular their frequency and severity, Occupational diseases, disaggregated by sex.	S1-14	72
Social relations			
	Organization of social dialogue, including procedures for informing, consulting and negotiating with workforce.	S1-2	62
	Percentage of employees covered by collective bargaining agreements by country.	S1-8	69
	The balance of collective bargaining agreements, particularly in the field of occupational health and safety.	S1-8	69
	Mechanisms and procedures available to the company to promote employee involvement in terms of integration, consultation and participation.	S1-3	62
Training			
	Policies implemented in the field of training.	ESRS2 MDR-P; S1-1	61
	The total number of training hours by professional category.	S1-13	71-72
Universal accessibility			
	Universal accessibility for people with disabilities	ESRS2 MDR-A; S1-4; S1-12	62, 71
Equality			
	Measures adopted to promote equal treatment and opportunities between women and men.	ESRS2 MDR-T; ESRS2 MDR-A; S1-4; S1-5	62-63
	Equality plans (Chapter III of Organic Law 3/2007, of March 22, 2007, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual harassment and harassment based on sex.	ESRS2 MDR-P; ESRS2 MDR-A; S1-1; S1-4	61-63
	Policy against all types of discrimination and, where applicable, diversity management	ESRS2 MDR-P; S1-1	61
HUMAN RIGHTS			
	Implementation of human rights due diligence procedures.	ESRS 2 GOV 4	8
	Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses.	S1-3, S2-4, S3-4, S4-4	62, 82
	Complaints of human rights violations.	S1-17	76-77

Promotion and enforcement of the provisions of the ILO core conventions related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.	ESRS2 MDR-P; S1-1, S2-1	61
CORRUPTION AND BRIBERY		
Measures taken to prevent corruption and bribery.	G1-3	86-88
Measures to combat money laundering.	G1-3	86-88
Contributions to foundations and non-profit entities.	G1-5	88, 101
SOCIETY		
The impact of the company's activity on employment and local development.	S3-2	51-54
The impact of the company's activities on local populations and the territory.	S3-2	51-54
Relationships maintained with local community stakeholders and the modalities of dialogue with them.	S3-2	51-54
Partnership or sponsorship actions.	GRI 2-23; GRI 2-28; GRI 201-1; GRI 413-1	102
Subcontracting and suppliers		
Inclusion of social, gender equality and environmental issues in the procurement policy.	G1-2	100
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	G1-2	100
Monitoring and auditing systems and audit results.	G1-2	100
Consumers		
Measures for the health and safety of consumers.	ESRS2 MDR-T; ESRS2 MDR-A; S4-4; S4-5	82
Complaint systems, complaints received and resolution of complaints.	S4-3	82
Tax information		
Benefits obtained on a country-by-country basis.	GRI 207-4	102
Taxes on benefits paid.	GRI 207-4	102
Public subsidies received.	GRI 207-4	102

GLOSSARY OF TERMS

ACSC: Appointments and Compensation and Sustainability Committee.
AR: application requirements.
AseBio: Spanish Association of Biocompanies.
BREEAM: Building Research Establishment Environmental Assessment Methodology.
CapEx: capital expenditures
CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora.
CMO: contract manufacturing organization.
CO: Carbon Monoxide.
CRO: contract research organization.
CSRD: Corporate Sustainability Reporting Directive.
DPO: Data Protection Officer.
ECHA: European Chemicals Agency.
EMA: European Medicines Agency.
ESG: environmental, social and governance.
ESRS: European Sustainability Information Standard.
EU: European Union.
FDA: Food and Drug Administration.
FSB: Financial Stability Board.
GHG: Greenhouse Gas.
GCP: good clinical practices.
GDP: good distribution practices.
GDPR: General Data Protection Regulation.
GLP: good laboratory practices.
GMP: good manufacturing practices.
GOV: governance.
GRI: Global Reporting Initiative.
GVP: good pharmacovigilance practices.
GxP: good x practices.
IPREM: Public Indicator of Multiple Effect Income.
IEA: Integrated Environmental Authorization.
ILO: International Labor Organization.
IRO: impacts, risks and opportunities.
ISO: International Organization for Standardization.
kWp: Kilowatt peak (nominal power of a photovoltaic system).
LGTBIQ+: Lesbian, Gay, Bisexual, Transgender, Intersex, Queer and +.
NFIS: Statement of Non-Financial Information.
NIS: Network and Information Security
NOX: Nitrogen Oxides.
OECD: Organization for Economic Cooperation and Development.
OpEx: operational expenditure.
RCP: Representative Concentration Pathway.
RNA: ribonucleic acid.
SBTi: Science-Based Targets Initiative.
SDGs: Sustainable Development Goals.
SIS: Integrated Sanitation System.
SMB: strategy and business model.
ICSNFI: Non-Financial Information Internal Control System.
TCFD: Task Force on Climate-Related Financial Disclosures.

tCO_2eq: tons of carbon dioxide equivalent.
TOC: Total Organic Carbon

CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED DIRECTORS' REPORT OF THE PHARMAMAR GROUP FOR THE YEAR ENDED 31 DECEMBER 2024

In compliance with the requirements established in article 253 of the Spanish Capital Companies Law, article 37 of the Spanish Commercial Code and other applicable provisions, on 27 February 2025, the Board of Directors of Pharma Mar, S.A. authorized the Consolidated Financial Statements and the Consolidated Directors' Report (including the Non-Financial Information Statement and Sustainability Report) of the PharmaMar Group for the year ended 31 December 2024, comprising the attached documents preceding this one.

STATEMENT OF LIABILITY: For the purposes of article 99.2 of Law 6/2023, of 17 March 2007, on Securities Markets and Investment Services and article 8.1.b) of Royal Decree 1362/2007, of 19 October, the members of the Board of Directors declare that, to the best of their knowledge, the Consolidated Financial Statements, produced in accordance with the applicable accounting principles, give a true and fair view of the net worth, financial position and results of the PharmaMar Group and that the Consolidated Directors' Report contains a true and fair analysis of the PharmaMar Group's performance, business results and position, together with a description of the main risks and uncertainties it faces, and contains the Non-Financial Information Statement and Sustainability Report in accordance with the provisions of Law 11/2018, of 28 December, on non-financial disclosures and diversity.

The Board of Directors

Mr. José María Fernández Sousa-Faro Chairman	Mr Pedro Fernández Puentes Vice-Chairman
Ms. Soledad Cuenca Miranda Director	Mr. Eduardo Serra Rexach Director
Ms. Sandra Ortega Mera Director *Participated in the Board of Directors meeting by means of an online connection and approved the content of the Consolidated Financial Statements and Directors' Report of the PharmaMar Group.*	Mr. Carlos Solchaga Catalán Director
Ms. Rosa María Sánchez-Yebra Alonso Director	Ms. Montserrat Andrade Detrell Director
Mr. Mariano Esteban Rodríguez Director	Mr. Emiliano Calvo Aller Director
Ms. Mª Blanca Hernández Rodríguez Director	Mr. Fernando Martín-Delgado Santos Director

Certificate issued by the Secretary of the Board of Directors to the effect that the Consolidated Financial Statements and Consolidated Directors' Report of the PharmaMar Group (the consolidated group of which Pharma Mar, S.A. is the parent company) for the year ended 31 December 2024 were authorized with the approval of all the members of the Board of Directors at a meeting on 27 February 2025 and signed by the directors listed above with the exception of Ms. Sandra Ortega Mera, who attended the meeting via an online connection and approved the contents of the Consolidated Financial Statements and the Consolidated Directors' Report of the PharmaMar Group. Which I certify in Madrid on 27 February 2025.

Secretary of the Board of Directors

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Juan Gómez Pulido