

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

Pharma Mar, S.A.

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



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

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

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



Independent Auditor's Report **on the 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 ANNUAL ACCOUNTS

Opinion

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

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

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 Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the 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.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the 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 2.2, 4.11 and 22 to the annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As indicated in note 22 to the accompanying annual accounts, at 31 December 2024 the Company has recognised deferred tax assets for a total of Euros 36,058 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.</p> <p>The recognition and recoverability of these deferred tax assets is analysed on an annual basis by the Company'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 Company'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.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - 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 Company's management and Directors. - In addition, we assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Company.



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Recognition of revenue	
See notes 2.2, 4.14 and 23.1 to the annual accounts	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company's activity, as indicated in note 1 to the accompanying annual accounts, consists mainly of the research, development and marketing of bioactive principles, especially those of marine origin, for application in human medicine, particularly in anti-tumour, anti-viral, immunomodulatory and tropical disease areas.</p> <p>As indicated in note 4.14 to the accompanying annual accounts, the Company 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:</p> <ul style="list-style-type: none"> - 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. <p>Due to the significance of the amount of revenues and the possibility of revenue being recognised in an incorrect period, we have considered this a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> – 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 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.



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Recognition of revenue	
See notes 2.2, 4.14 and 23.1 to the annual accounts	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<ul style="list-style-type: none"> – 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 annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Valuation of investments in and loans to Group companies and associates	
See notes 2.2, 4.6.4, 11.3 and 14.2 to the annual accounts	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As indicated in notes 11 and 14 to the accompanying annual accounts, at 31 December 2024, the Company has non-current financial investments in Group companies and associates and non-current loans to Group companies amounting to Euros 97,643 thousand and Euros 4,314 thousand, respectively, of which Euros 94,807 thousand and Euros 4,314 thousand, respectively, comprise the net investment in and the loan extended to Sylentis, S.A.U.</p> <p>In accordance with accounting criteria, the Company performs an annual assessment of the existence of objective evidence of impairment of investments in Group companies and associates and loans to Group companies, and estimates their recoverable amount at the reporting date of those entities for which there is objective evidence of impairment. The annual impairment test was performed on Sylentis, S.A.U., recording impairment in 2024 in the amount of Euros 5,910 thousand.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Assessing the design and implementation of certain key controls linked to the process of estimating the recoverable amount of investments in and loans to Group companies and associates. - Evaluating the criteria used by the Company in the process of assessing the existence of objective evidence of impairment of the investments in and loans to Group companies and associates. - With the assistance of our specialists, assessing the reasonableness of the methodology used in the recoverable amount calculation performed by the independent expert, as well as the key assumptions used, including the evaluation of the sensitivity of the recoverable amount estimates to reasonably possible changes in the key assumptions.



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Valuation of investments in and loans to Group companies and associates

See notes 2.2, 4.6.4, 11.3 and 14.2 to the annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company estimates the recoverable amount of these assets by applying valuation techniques, supported by an independent expert, that require a high degree of judgement by the Company's management and Directors, and the use of estimates that include relevant assumptions subject to uncertainty.</p> <p>Due to the significance of the carrying amount of the assets, the high degree of judgement and the uncertainty associated with estimating the recoverable amount of these assets, we have considered this to be a key audit matter.</p>	<p>Moreover, we evaluated the competence, objectivity and conclusions of the independent expert engaged by Company management.</p> <ul style="list-style-type: none">- We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Other Matter

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

Other Information: Directors' Report

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

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

- Determine, solely, whether the 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.
- Assess and report on the consistency of the rest of the information included in the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the 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.



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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 directors' report is consistent with that disclosed in the 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 Annual Accounts _____

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

In preparing the annual accounts, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the preparation and presentation of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts _____

Our objectives are to obtain reasonable assurance about whether the 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 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 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 entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with Pharma Mar, S.A.'s audit committee 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 entity'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 entity, we determine those that were of most significance in the audit of the 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 file of Pharma Mar, S.A. for 2024 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, 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 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 directors' report.



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Our responsibility consists of examining the digital file prepared by the Company's Directors, 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 annual accounts included in the aforementioned digital file fully corresponds to the annual accounts we have audited, and whether the annual accounts have been formatted, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined fully corresponds to the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit Committee

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

Contract Period

We were appointed as auditor 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. 15.825

27 February 2025

Pharma Mar, S.A.
Balance sheet as of 2024 year-end
(thousand euro)

ASSETS	Note	31/12/24	31/12/23
A) Non-current assets		168,615	142,811
I. Intangible assets		790	1,715
1. Development	6	-	702
2. Computer software	6	790	1,013
II. Property, plant and equipment		26,603	26,150
1. Land and structures	7	12,538	12,859
2. Technical installations and other tangible fixed assets	7	12,732	11,542
3. Advances & construction in progress	7	1,333	1,749
III. Investment property		845	845
1. Land	8	845	845
IV. Non-current investment in group and associated undertakings		101,957	78,683
1. Equity instruments	11	97,643	47,553
2. Loans to Group undertakings	10.14 & 30	4,314	31,130
V. Non-current financial assets		2,362	5,968
1. Equity instruments	10 & 12	331	330
2. Loans to third parties	10 & 14	6	6
3. Other financial assets	10.14 & 15	2,025	5,632
VI. Deferred tax assets	22	36,058	29,450
B) Current assets		241,707	240,603
I. INVENTORIES		51,739	39,068
1. Raw materials and other supplies	13	1,420	1,782
2. Products in process	13	47,962	36,658
3. Finished products	13	1,277	628
4. Supplier advances	13	1,080	-
II. Trade and other accounts receivable		40,223	45,141
1. Customer receivables for sales and services	10 & 14	32,719	25,038
2. Receivable from group and associated undertakings	10.14 & 30	1,202	1,833
3. Sundry debtors	10 & 14	267	198
4. Personnel	10 & 14	105	104
5. Current tax assets	24	3,560	13,997
6. Other receivables from public authorities	24	2,370	3,971
III. Current investment in group and associated undertakings		96	639
1. Other financial assets	10.14 & 30	96	639
IV. Current financial assets		90,697	102,169
1. Other financial assets	10 & 15	90,697	102,169
V. Accruals	10 & 14	1,479	2,807
VI. Cash and cash equivalents		57,473	50,779
1. Cash	16	20,274	18,450
2. Cash equivalents	16	37,199	32,329
Total assets (A+B)		410,322	383,414

Pharma Mar, S.A.
Balance sheet as of 2024 year-end
(thousand euro)

TOTAL EQUITY AND LIABILITIES	Note	31/12/24	31/12/23
A) Equity		278,127	249,383
A-1) Capital and reserves		276,835	247,799
I. Capital		10,933	11,013
1. Share capital	17	10,933	11,013
II. Share premium account	17	59,858	71,278
III. Reserves		279,255	279,208
1. Legal and bylaw reserves	18	2,187	2,203
2. Other reserves	18	277,068	277,005
IV. (Own shares and equity instruments)	17	(30,827)	(31,091)
V. Prior years' income		(82,609)	(69,052)
1. (Prior years' loss)	18	(82,609)	(69,052)
VI. Profit or loss for the year	3	40,225	(13,557)
A-2) Value adjustments		16	14
I. Hedge transactions		16	14
A-3) Subsidies, donations and legacies received	6 & 19	1,276	1,570
B) Non-current liabilities		55,940	47,139
I. Long-term provisions		150	150
1. Other provisions		150	150
II. Non-current debt		39,469	26,416
1. Bonds and other marketable securities	10 & 20	16,831	16,769
2. Bank debt	10 & 20	14,116	-
3. Other financial liabilities	10 & 20	8,522	9,647
III. Deferred tax liabilities	22	428	707
IV. Long-term accruals	20	15,893	19,866
C) CURRENT LIABILITIES		76,255	86,892
I. Short-term provisions	21	13,713	11,973
II. Current debt		8,736	10,465
1. Bonds and other marketable securities	10 & 20	405	405
2. Bank debt and debt to official authorities	10 & 20	7,193	8,928
3. Other financial liabilities	10 & 20	1,138	1,132
III. Current accounts payable to group and associated undertakings	10.20 & 30	2,762	3,529
IV. Trade and other accounts payable		47,071	35,999
1. Suppliers	10 & 20	768	891
2. Suppliers - group and associated undertakings	10.20 & 30	5,494	4,733
3. Sundry creditors	10 & 20	29,621	20,858
4. Personnel (compensation payable)	10 & 20	8,077	7,108
5. Current tax assets	24	-	182
6. Other debt to public authorities	24	1,701	1,224
7. Customer advances	10 & 20	1,410	1,003
V. Short-term accruals	20	3,973	24,926
Total net equity and liabilities (A+B+C)		410,322	383,414

Pharma Mar, S.A.
2024 Statement of income
(thousand euro)

STATEMENT OF INCOME	Note	31/12/24	31/12/23
A) Continuing operations			
1. Net revenues	23.1 & 23.2	174,981	153,704
a) Product sales		66,389	67,060
b) Licensing and co-development agreements		46,518	33,590
c) Royalties		61,347	52,178
d) Other revenues		727	876
2. Variation in finished goods and work-in-process inventories	13	11,953	11,566
3. Purchases		(22,942)	(25,824)
b) Raw materials and other consumables consumed	23,4	(4,863)	(4,891)
c) Outside work		(18,079)	(20,933)
4. Other operating revenues		72	69
a) Ancillary and other current revenues		72	69
5. Staff expenses	23,5	(47,319)	(41,885)
a) Wages, salaries and similar		(39,504)	(34,447)
b) Employee welfare expenses		(7,815)	(7,438)
6. Other operating expenses	23,6	(93,182)	(82,226)
a) Outside services		(92,636)	(81,419)
b) Taxes other than income tax		(363)	(807)
c) Losses, impairment and changes in trade provisions		(183)	-
7. Depreciation and amortization	6 & 7	(3,599)	(3,305)
8. Recognition of subsidies for non-financial assets and othe	19	998	692
9. Impairment losses and income from disposal of assets	6.1 & 23.7	1,004	127
a) Impairments and losses	6.1 & 23.7	1,004	127
A.1) OPERATING INCOME (1+2+3+4+5+6+7+8+9)		21,966	12,918
10. Financial revenues	25	6,843	4,684
a) Marketable securities and other financial instruments		6,843	4,684
a 1) Group and associated undertakings		1,178	583
a 2) Third parties		5,665	4,101
11. Financial expenses	25	(2,153)	(1,994)
a) Debts to third parties		(2,153)	(1,994)
12. Exchange differences	25	2,456	(1,684)
13. Impairment losses and income from disposal of financial instruments	25	(5,536)	(38,584)
a) Impairments and losses		(5,886)	(38,584)
b) Income on disposals and other		350	-
A.2) FINANCIAL INCOME (10+11+12+13)		1,610	(37,578)
A.3) INCOME BEFORE TAXES (A.1 + A.2)		23,576	(24,660)
14. Income tax	24	16,649	11,103
A.4) INCOME FOR THE YEAR FROM CONTINUING OPERATIONS (A.3+14)		40,225	(13,557)
A.5) INCOME FOR THE YEAR (A.4)		40,225	(13,557)

Pharma Mar, S.A.
Statement of changes in equity for
2024

A) STATEMENT OF RECOGNIZED REVENUES AND EXPENSES 2024
(thousand euro)

STATEMENT OF CHANGES IN NET EQUITY	Note	31/12/24	31/12/23
A) INCOME, PER INCOME STATEMENT		40,225	(13,557)
Revenues and expenses recognized directly in equity			
I. Valuation of financial instruments		2	(5)
II. Subsidies, donations and legacies received	19	606	1,494
III. Tax effect	19	(152)	(372)
B) TOTAL REVENUES AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY (I+II+III)		456	1,117
Transfers to profit or loss			
I. Subsidies, donations and legacies received	19	(998)	(692)
II. Tax effect	19	250	173
C) TOTAL TRANSFERS TO PROFIT OR LOSS (I+II)		(748)	(519)
TOTAL RECOGNIZED REVENUES AND EXPENSES (A + B + C)		39,933	(12,959)

Pharma Mar, S.A.
Statement of changes in equity for
2024

B) TOTAL STATEMENT OF CHANGES IN EQUITY 2024
(thousand euro)

	Share capital (Note 17)	Share premium account (Note 17)	Reserves (Note 18)	(Own shares and equity instruments) (Note 17.3)	Prior years' income	Income for the year (Note 3)	Subsidies, donations and legacies received (Note 19)	Value adjustments	TOTAL
Closing balance 2022	11,013	71,278	283,002	(15,865)	(116,317)	58,954	968	18	293,051
Total recognized revenues and expenses	-	-	-	-	-	(13,557)	602	(4)	(12,959)
Share ownership plans (Note 17.3 & 26)	-	-	3	889	-	-	-	-	892
Transactions with shares (purchases) (Note 17.3)	-	-	-	(34,081)	-	-	-	-	(34,081)
Transactions with shares (sales) (Note 17.3)	-	-	(3,797)	17,966	-	-	-	-	14,169
Distribution of dividend (Note 3)	-	-	-	-	-	(11,689)	-	-	(11,689)
Distribution of income (Note 3)	-	-	-	-	47,265	(47,265)	-	-	-
Closing balance 2023	11,013	71,278	279,208	(31,091)	(69,052)	(13,557)	1,570	14	249,383
Total recognized revenues and expenses	-	-	-	-	-	40,225	(294)	2	39,933
Capital reduction (Note 17.3)	(80)	-	(4,967)	5,000	-	-	-	-	(47)
Share ownership plans (Note 17.3 & 26)	-	-	49	724	-	-	-	-	773
Transactions with shares (purchases) (Note 17.3)	-	-	-	(18,630)	-	-	-	-	(18,630)
Transactions with shares (sales) (Note 17.3)	-	-	4,965	13,170	-	-	-	-	18,135
Distribution of dividends	-	(11,420)	-	-	-	-	-	-	(11,420)
Distribution of income (Note 3)	-	-	-	-	(13,557)	13,557	-	-	-
Closing balance 2024	10,933	59,858	279,255	(30,827)	(82,609)	40,225	1,276	16	278,127

Pharma Mar, S.A.
Statement of Cash Flows for
2024
(thousand euro)

	Notes	31/12/24	31/12/23
A) OPERATING CASH FLOW			
1. Income before taxes		23,576	(24,660)
2. Adjustments to income		2,895	37,793
a) Depreciation and amortization (+)	6, 7, 8	3,599	3,305
b) Impairment losses		(19,532)	(218)
c) Change in provisions		1,739	(3,182)
d) Subsidies recognized (-)		(562)	(692)
e) Income from derecognitions and disposals of property, plant and equipment (+/-)	6 & 23	(1,004)	(127)
f) Income from derecognitions and disposals of financial instruments (+/-)		25,068	38,801
g) Share-based payments		733	912
h) Financial revenues (-)	25	(6,843)	(4,684)
i) Financial expenses (+)	25	2,153	1,994
j) Exchange differences (+/-)	25	(2,456)	1,684
3. Changes in working capital		(31,024)	(35,992)
a) Inventories (+/-)	13	(12,670)	(12,135)
b) Debtors and other accounts receivable (+/-).	14	(3,647)	10,633
d) Creditors and other accounts payable (+/-).	20	(10,554)	(3,739)
f) Other non-current assets and liabilities (+/-)		(4,153)	(30,751)
4. Other operating cash flow		25,555	16,262
a) Interest paid (-)		(1,678)	(1,994)
c) Interest received (+)		6,843	4,686
d) Corporate income tax receipts/payments	24	22,600	-
d) Corporate income tax receipts/payments	24	(2,211)	13,570
5. Operating cash flow (+/-1+/-2+/-3+/-4)		21,002	(6,597)
B) INVESTING CASH FLOW			
6. Investment payments (-)		(32,197)	(345,259)
a) Group and associated undertakings	11	(29,183)	(27,396)
b) Intangible assets	6	(162)	(351)
c) Property, plant and equipment	7	(2,852)	(3,498)
e) Other financial assets		-	(314,014)
7. Divestment receipts (+)		353,513	287,242
a) Group and associated undertakings	11	350	-
d) Divestment receipts		888	-
e) Other financial assets		352,275	287,242
8. Investing cash flow (7-6)		(15,055)	(58,017)
C) FINANCING CASH FLOW			
9. Receipts and payments in connection with equity instruments		(406)	(18,437)
a) Acquisition of own equity instruments (-)	17	(18,613)	(37,897)
b) Disposal of own equity instruments (+)	17	18,112	17,966
c) Subsidies, donations and legacies received (+)	19	95	1,494
10. Receipts and payments in connection with instruments representing financial liabilities		10,918	2,936
a) Issuance		15,567	7,940
1. Bank debt and debt to official authorities (+)	20	15,567	7,940
b) Refund and amortization of:		(4,649)	(5,004)
1. Bank debt and debt to official authorities (-)	20	(4,649)	(5,004)
11. Payment of dividends and remuneration on other equity instruments.		(11,420)	(11,689)
12. Financing cash flow (+/-9+/-10-11)		(908)	(27,190)
D) EFFECT OF EXCHANGE RATE VARIATIONS		1,655	(1,194)
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-5+/-8+/-12+/-D)		6,694	(92,998)
Beginning cash and cash equivalents		50,779	143,777
Ending cash and cash equivalents		57,473	50,779

Pharma Mar, S.A.

NOTES TO 2024 FINANCIAL STATEMENTS (thousand euro)

1. COMPANY BUSINESS

Pharma Mar, S.A. (hereafter "PharmaMar" or the "Company") was incorporated on 30 April 1986 as a limited company (sociedad anónima) for an indefinite period. Its registered offices are at Avenida de los Reyes nº 1 (Pol. Industrial La Mina – Norte), Colmenar Viejo (Madrid).

PharmaMar's main activity is research, development and marketing of bio-active principles, particularly those of marine origin, for application in human medicine, especially in the antitumor, antiviral and immunomodulation fields and the area of tropical diseases, as well as management, support and development of its investee, Sylentis, S.A.U., in the RNA interference field, and the subsidiaries whose object is to market oncology products (Yondelis) in Europe.

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

The Company's financial statements are presented in euro, which is the Company's functional and presentation currency.

The Company's directors consider that the 2024 financial statements, which were authorized on 27 February 2025, will be approved without changes by the Shareholders' Meeting.

In accordance with the provisions of Royal Decree 1.159/2010, of 17 September, on 27 February 2025, the Company authorized the Consolidated Financial Statements as of 31 December 2024 for the group of companies of which it is the controlling company, which disclose a consolidated net profit of €26,125 thousand, equity (including profit for the year) of €208,359 thousand, assets amounting to €349,644 thousand and revenues amounting to €174,855 thousand.

Those Consolidated Financial Statements were drawn up in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The Consolidated Financial Statements contain all the Group undertakings, using the applicable consolidation method in each case, in conformity with article 42 of the Commercial Code.

2. BASIS OF PRESENTATION

2.1 True and fair view

The financial statements were prepared from the Company's accounting records and are presented in accordance with the current mercantile law and the rules established in Spain's General Accounting Plan approved by Royal Decree 1514/2007 (GAP 2007), as amended by Royal Decree 1159/2010, Royal Decree 602/2016 and Royal Decree 1/2021, and in accordance with the format and markup requirements of Commission Delegated Regulation (EU) 2019/815, in order to present a true and fair view of the equity, financial position and income of the Company and the veracity of the cash flows set out in the cash flow statement.

The figures in the documents comprising these financial statements (balance sheet, income statement, statement of changes in equity, cash flow statement and these notes to financial statements) are expressed in thousand euro.

2.2 Critical aspects of measuring and estimating uncertainty

The preparation of the financial statements requires the Company to use certain estimates and judgments in connection with the future that are evaluated continuously and are based on past experience and other factors, including expectations about future events that are considered to be reasonable in the circumstances.

By definition, these estimates seldom coincide with the actual results. The estimates and judgments with a significant risk of having a material impact on the carrying amounts of assets and liabilities in the next financial year are detailed below.

Deferred tax assets

The main source of information for assessing the recoverability of deferred tax assets is the projection of expected future 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 high probability of success.

Deferred tax assets due to tax losses carried forward and unused tax credits are recognized to the extent that the Company is likely to obtain future taxable income enabling them to be offset. Accordingly, for the purpose of the 2024 financial statements, the projections of revenues and expenses were re-estimated using management's best estimates about the Company's business and the current and foreseeable economic situation.

In calculating expected future income and assessing the recoverability of the tax credits, only the companies belonging to the consolidated tax group of which PharmaMar is the head are considered.

The Company assesses the recoverability of deferred tax assets on the basis of estimates of future taxable income. The recoverability of deferred tax assets depends ultimately on the Company'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 and deductions generated by the undertakings that belong to the tax group in Spain are as follows:

- The tax budget is based on the five-year budget presented to the Board of Directors.
- The main variables used in projections for the Oncology segment are as follows: a) the probability assigned to ongoing developments (revenue expected for each product under development is assigned a probability of occurrence based on the degree of progress with ongoing development); b) the estimated selling price; and c) a penetration rate as a function of the number of patients that could potentially be treated with the product under development.
- The tax plan also uses the following significant assumptions:
 - Average 39,98% growth in sales in the Oncology segment. That growth is due mainly to the good sales prospects for Zepzelca, a product currently under development, by our partner in the US market.
 - Sustained growth in expenses in the oncology segment is assumed to average 10,54%.

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 that may affect this estimate are: the probability of occurrence assigned to the revenues expected from compounds currently in development depending on their current phase of development, the estimated price of the medicine, the prevalence of the various potential indications in the population, the time of approval, and the market share:

- A 5% reduction in the estimated price for the main compound under development (Zepzelca) would result in the derecognition of assets in the amount of €3,311 thousand.
- A one-year delay in sales of the main compound under development, lurbinectedin, would result in derecognition of assets in the amount of €15,305 thousand.
- A 10% reduction in market share for the main compound under development (Zepzelca) would result in derecognition of assets in the amount of €5,338 thousand.

- A 10% reduction in market share for Zepzelca in the US market would result in derecognition of assets in the amount of €1,645 thousand.

Note 24 details the assets recognized by the Company as of 31 December 2024 and 2023 and the assets not recognized by application of this approach.

Evaluation of the recoverability of investments in Group and associated companies. Sylentis, S.A.U.

Management tests investments in group and associated companies for impairment on an annual basis when there is objective evidence that the carrying amount of an investment will not be recoverable. The determination of the recoverable amount of the investment involves the use of estimates by management when the recoverable amount cannot be determined in any other way. The Company generally uses discounted cash flow methods to determine the recoverable amount. The discounted cash flow calculations are based on forward-looking projections of budgets presented by management. The flows are based on past experience and represent management's best estimate of future market performance. Key assumptions in determining the recoverable value include sales growth and the discount rate. The estimates, including the methodology used, can have a significant impact on the outcome of the analysis.

In the specific case of the investment in Sylentis, S.A., since the latter does not generate revenue as it focuses on the research and development of products with therapeutic activity based on the reduction or silencing of gene expression, the Company has been using the valuation of an independent appraiser as the best measurement of recoverable value. The valuation is the result of using several valuation methods, such as rNPV (risk-adjusted net present value), discounted cash flow, market comparables, recent transactions, etc. Degrees of probability are applied to each of the methods to obtain different valuation ranges depending on the sensitivity applied to the calculation (see sensitivity analysis in note 11.3.1). In 2023 Sylentis began construction of a plant for the manufacture of oligonucleotides which was completed in 2024. The amount invested in the plant and any potential future cash flows from its operation are excluded from the valuation, which only takes account of the company's R&D area.

Recognition of revenue arising from licensing and/or co-development of PharmaMar compounds

PharmaMar enters into licensing and/or development agreements that generally include many factors, and the associated revenues must be matched with the costs and considerations to be paid.

When deciding how to recognize the revenues from those transactions (Note 4.14.2), the directors consider the following factors:

- The economic basis of the transaction.
- The nature of the components of the transaction (payments, asset swaps, etc.).
- The valuation and distribution, on a fair value basis, of each item of consideration.
- The transfer of material risks and benefits deriving from ownership of the goods and the assumption of future obligations.
- The degree of progress with the project (milestones).

Climate change: analysis of financial risk and impact

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 energy 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 energy 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 energy 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.

2.3 Comparative information

The amounts for 2024 are presented alongside those for 2023 for comparison purposes.

2.4 Grouping of items

To facilitate comprehension of the balance sheet, income statement, statement of changes in equity and cash flow statement, those financial statements are presented in grouped form, and the necessary breakdown is given in the notes to financial statements.

3. APPLICATION OF RESULTS

The proposed distribution of 2024 income which will be presented to the Shareholders' Meeting, and the actual distribution approved for 2023 by the shareholders on 29 May 2024, are as follows:

(Euros)	2024	2023
BASIS OF DISTRIBUTION		
Income for the year	40,224,894.79	(13,556,838.63)
	40,224,894.79	-13,556,838.63
Distribution		
Prior years' losses	40,224,894.79	(13,556,838.63)
	40,224,894.79	-13,556,838.63

The distribution of income for the year ended 31 December 2024 that will be proposed to the Shareholders' Meeting, in accordance with article 274 of the Consolidated Text of the Capital Companies Act, approved by the Legislative Royal Decree of 2 July 2010, will consist of allocating profit for the year to prior years' losses (€40,224,894.79).

4. ACCOUNTING AND VALUATION STANDARDS

The valuation standards applied for the various items are as follows:

4.1 Intangible assets

Intangible assets are recognized initially if:

- i) they fulfill the definition of asset contained in the Accounting Conceptual Framework: "Rights, goods and other resources controlled economically by the company as a result of past events and from which the company expects to obtain profits or economic yields in the future,"
- ii) they fulfill the condition of being recognized in the accounts, in line with the Accounting Conceptual Framework: "Assets must be recognized on the balance sheet where they are likely to provide profits or economic yields for the company in the future, and provided that they can be measured reliably,"
- iii) they fulfill the identifiability requirement "that the intangible asset fulfills either of the following two conditions:
 - a. it must be possible to separate it from the company and sell, assign, deliver for exploitation, lease or exchange it, or
 - b. it must arise from rights in rem or contractual rights, regardless of whether those rights are transferable or can be separated from the company or from its other rights or obligations.

4.1.1 Research & Development expenses

Research is planned original investigation in pursuit of new knowledge and greater understanding in scientific and technology.

Development is the specific application of research findings in a specific design or plan for the production of materials, products, processes, systems or services that are new or substantially improved, up to commencement of commercial production.

Research expenditure is expensed in the year it is incurred.

Development expenses in the year are capitalized when they meet the following conditions:

- i) there is a specific itemized project that enables the expenses attributable to the project to be measured reliably,
- ii) there are clear criteria for assignment, allocation and recognition of the costs of each project,
- iii) there are sound reasons, at all times, for expecting technical success,
- iv) the financial and commercial success of the project is reasonably assured,
- v) funding is reasonably assured to enable the project to be concluded, and the necessary technical resources are available, and
- vi) the company intends to complete the intangible asset in question for use or sale.

Fulfillment of those conditions is assessed each year.

Development expenses recognized under assets must be amortized in accordance with a systematic plan over their useful life, beginning in the year in which the project concluded. That useful life normally coincides with the term of the patent.

If a company is unable to distinguish between the research and development phases of an internal project to create an intangible asset, it must treat the expenses arising in that project as if they had been incurred solely in the research phase.

For the purposes of subsequent remeasurement:

- Impairment is assessed in the year-end close or whenever progress with projects gives any indication of impairment or there are doubts about fulfillment of the conditions for capitalization.
- Annual assessments of the recoverability of the amounts capitalized in ongoing development projects, which include, among others, (i) assessment of the recoverability of the compound based on the fair value of the agreements, or (ii) assessment of the recoverability of the asset based on the Company's specific business plans for the molecule.

As of 31 December 2024, there were no capitalized development expenditures. As of 31 December 2023, the only capitalized development expenses were related to the registration dossier for Zepzelca in small cell lung cancer, which received approval for marketing from the US FDA in June 2020 (Note 6.1).

Measurement of research and development projects

Where projects are carried out with the company's own resources, they are measured at production cost and include the directly attributable costs that are necessary to create, produce and prepare the asset. In particular, they include the following items:

- i) cost of personnel related directly to the project activities,
- ii) cost of raw materials, consumables and services used directly in the project,
- iii) depreciation and amortization of fixed assets assigned directly to the project, and
- iv) the part of indirect costs that can reasonably be assigned to the project activities, provided that such assignment is rational.

Costs of sub-activities and those of the company's general structure may not be assigned to research and development projects. Financial expenses related to research expenses may not be capitalized.

Where research and development projects are outsourced to other companies or institutions, they are measured at acquisition cost.

4.1.2 Computer software

Computer software licenses acquired from third parties 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, i.e. 4 or 5 years.

Computer program maintenance costs are recognized in profit or loss as incurred.

4.2 Property, plant and equipment

Property, plant and equipment are recognized at acquisition or production cost. Property, plant and equipment are presented on the balance sheet at cost less the accumulated amount of depreciation and impairments.

The amount of capitalized in-house work on property, plant and equipment is calculated as the sum of the acquisition costs of consumables and the direct and indirect costs allocable to those assets.

The costs of expanding, modernizing or improving property, plant and equipment are capitalized solely when they increase the assets' capacity or productivity or extend their useful life, provided that it is possible to ascertain or estimate the carrying amount of the items that are retired from inventory due to being replaced.

The cost of major repairs is capitalized and depreciated over their estimated useful lives, whereas recurring maintenance costs are recognized in profit or loss in the year in which they are incurred.

Apart from land, which is not depreciated, depreciation of property, plant and equipment is taken systematically on a straight-line basis over the asset's useful life, having regard to actual loss of functionality and usability. The estimated useful lives are as follows:

	Years
Buildings and structures	25-30
Technical installations and machinery	10
Vehicles	4-7
Furniture and fixtures	10
Computer hardware	4-7

The residual value and the useful life of an asset are measured, 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.

Losses and gains on the disposal of property, plant and equipment are calculated by comparing the revenue from the sale with the carrying amount, and are recognized in profit or loss.

4.3 Investment property

Investment property comprises land held for rental over the long term that is not occupied by the Company. The items in this heading are presented at acquisition cost less accumulated depreciation and impairment losses.

4.4 Leases

Where the Company is the lessee - Operating lease

Leases where the lessor retains substantially all the risks and rewards incidental to ownership are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized in profit or loss on a straight-line basis over the lease term.

Where the Company is the lessor

Assets leased under operating leases are recognized in the balance sheet on the basis of their nature. The revenues from the lease are recognized on a straight-line basis over the lease term.

4.5 Impairment of non-financial assets

Amortizable assets are measured for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount, the latter being understood to mean the lower of the fair value less the selling cost or the value in use.

To perform the impairment tests, assets are grouped at the lowest level of cash flow that cannot be identified separately (cash-generative units - CGU). Non-financial assets other than goodwill that have suffered impairment are measured at each balance sheet date to ascertain whether the loss has been reversed.

4.6 Financial assets

4.6.1 Financial assets at amortized cost

This category includes financial assets, including those listed on an organized market, where the Company holds the investment for the purpose of collecting the cash flows derived from the performance of the contract, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely receipts of principal and interest on the principal amount outstanding are inherent to an agreement that is an ordinary or common loan, notwithstanding that the transaction is arranged at a zero or below-market interest rate.

This category includes trade accounts receivable and non-trade accounts receivable:

- a) Trade accounts receivable: financial assets arising from the sale of goods and the delivery of services as part of the company's business operations where payment is deferred, and
- b) Non-trade accounts receivable: financial assets, other than equity instruments and derivatives, that are not commercial in origin and represent the receipt of a determined or determinable amount arising from loans or credit granted by the company.

Initial measurement

Financial assets in this category are measured initially at fair value, which, unless there is evidence to the contrary, is the transaction price, i.e. the fair value of the consideration given, plus directly attributable transaction costs.

Nevertheless, trade accounts receivable maturing at not more than one year which do not have an explicit contractual interest rate, and loans to personnel, dividends receivable and capital calls, which are expected to be collected in the short term, are measured at nominal value to the extent that the effect of not discounting the cash flows can be considered to be non-material.

Subsequent re-measurement

Financial assets in this category are measured at amortized cost. Accrued interest is recognized in profit or loss using the effective interest rate method.

However, receivables maturing in less than one year which, in accordance with the provisions of the preceding paragraph, are initially measured at nominal value, continue to be measured on that basis except in the event of impairment.

When the contractual cash flows of a financial asset change due to financial difficulties on the part of the issuer, the company analyzes whether an impairment loss should be recognized.

Impairment

The necessary valuation adjustments are made, at least at accounting close and whenever there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics measured together, has been impaired as a result of one or more events occurring after initial recognition that cause a reduction or delay in the estimated future cash flows, which may be due to the debtor's insolvency.

The amount of impairment loss in these financial assets is generally the difference between their carrying amount and the present value of estimated future cash flows, including those from executing any collateral or other guarantees, discounted at the effective interest rate applying at the time of initial recognition. In the case of financial assets at floating rates, the effective interest rate used is that in force under the contractual terms on the closing date of the financial statements.

Impairment losses, and their reversal when the amount of such loss is reduced by a subsequent event, are

recognized as an expense or revenue, respectively, in profit or loss. Reversal of impairment is capped at the carrying amount of the asset that would have been recognized at the date of reversal if no impairment had been recognized.

4.6.2 Financial assets at fair value through equity

This category includes financial assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and that are not held for trading and do not qualify as "Financial assets at amortized cost". This category also includes investments in equity instruments for which the irrevocable option to classify them as "Financial assets at fair value through profit or loss" has been exercised.

Initial measurement

Financial assets in this category are measured initially at fair value, which is generally the transaction price, i.e. the fair value of the consideration given, plus directly attributable transaction costs, including the amount of any pre-emptive subscription or similar rights that were acquired.

Subsequent re-measurement

Financial assets in this category are measured at fair value without deducting the transaction costs that might be incurred in their disposal. Fair value changes are recognized directly in equity until the financial asset is derecognized or impaired, at which point the amount so recognized is transferred to profit or loss.

Nevertheless, impairment losses and foreign exchange gains and losses on monetary financial assets in foreign currencies are recognized in profit or loss.

Accrued interest, calculated using the effective interest rate method, and accrued dividends are recognized in profit or loss.

When such assets must be measured due to derecognition or other reasons, the weighted average value by homogeneous groups approach is used.

In the exceptional case that the fair value of an equity instrument is no longer reliable, prior adjustments recognized directly in equity are treated in the same way as for impairment of financial assets at cost.

In the case of the sale of pre-emptive subscription and similar rights or the segregation of such rights for exercise, the amount of the rights is netted off the carrying amount of the respective assets. This amount corresponds to the fair value or cost of the rights, calculated in a way that is consistent with the measurement of the associated financial assets.

Impairment

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset, or of a group of financial assets included in this category with similar risk characteristics that are measured together, has been impaired as a result of one or more events that occurred after initial recognition and result in:

a) In the case of acquired debt instruments, a reduction or delay in the estimated future cash flows due to the debtor's insolvency; or

b) In the case of investments in equity instruments, a lack of recoverability of the assets' carrying amount as a result of a material or prolonged decline in fair value. An instrument is generally considered to have been impaired after a fall in value lasting one and a half years or amounting to forty percent of its market price, where the value has not recovered, without prejudice to the possibility that it may be necessary to recognize an impairment loss before this period has elapsed or the market price has fallen by the aforementioned percentage.

The valuation adjustment for impairment of these financial assets is the difference between their cost or amortized cost less any impairment losses recognized previously in profit or loss and the fair value at the

time of measurement.

If there is objective evidence of impairment, the accumulated losses previously recognized in equity as a reduction in fair value are recognized in profit or loss.

Fair value gains in subsequent years are credited to profit or loss against the valuation adjustment recognized in prior years. This does not apply to fair value gains on equity instruments with changes through equity.

4.6.3 Financial assets at fair value through profit or loss

This category includes equity instruments that are not held for trading and that may not be measured at cost over which an irrevocable choice was made at the time of initial recognition to present subsequent fair value changes directly in equity.

This category also includes financial assets designated irrevocably at the time of initial recognition as being measured at fair value through profit or loss that would otherwise have been included in another category, in order to eliminate or significantly reduce measurement inconsistency or accounting asymmetry that would otherwise arise from measuring of assets or liabilities on another basis.

Initial measurement

Financial assets in this category are measured initially at fair value, which, unless there is evidence to the contrary, is the transaction price, i.e. the fair value of the consideration given. Directly attributable transaction costs are recognized in profit or loss.

Subsequent re-measurement

After initial recognition, the financial assets in this category are measured at fair value through profit or loss.

4.6.4 Financial assets at cost

This measurement category includes:

- a) Investments in the equity of group, multi-group and associated undertakings.
- b) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be reliably estimated, and derivatives whose underlyings are such investments.
- c) Any other financial asset that initially qualifies for measurement at fair value through profit or loss, when it is not possible to estimate fair value reliably.

Initial measurement

Investments in this category are measured initially at cost, which is equivalent to the fair value of the consideration provided plus directly attributable transaction costs; the latter are not included in the cost of investments in group undertakings.

Nevertheless, where the investment preceded its classification as a group, multi-group or associated undertaking, the cost of the investment is taken to be the carrying amount that should have applied before it was so classified.

Initial measurement includes the amount of any acquired pre-emptive subscription and similar rights.

Subsequent re-measurement

Equity instruments in this category are measured at cost less any accumulated impairment losses.

When such assets must be measured due to derecognition or other reasons, the weighted average cost by homogeneous groups approach is used, such groups comprising securities that have the same rights.

In the case of the sale of pre-emptive subscription and similar rights or the segregation of such rights for exercise, the cost of the rights is netted off the carrying amount of the respective assets.

Impairment

At least at year-end, the necessary value adjustments are made if there is objective evidence that the carrying amount of an investment will not be recoverable. The amount of the valuation adjustment is the difference between the carrying amount and the recoverable amount, the latter being understood as the higher of fair value less selling costs and the present value of the future cash flows arising from the investment, which, in the case of equity instruments, is calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating the share in the future cash flows expected to be generated by the investee both from its ordinary activities and from its disposal or derecognition.

Except where there is better evidence of the recoverable value of investments in equity instruments, impairment of this class of investments is estimated as a function of the investee's equity and any unrealized capital gains existing at the measurement date, net of the tax effect. Where the investee has, in turn, invested in another company, this value will be measured taking account of the equity reported in the consolidated financial statements produced in accordance with the standards of the Commercial Code and its secondary legislation (see Note 2.2).

Impairments and any reversals of impairment are recognized as an expense or revenue, respectively, in profit or loss. Reversal of impairment is capped at the carrying amount of the investment that would have been recognized at the date of reversal if no impairment had been recognized.

Assets that are designated as hedged items are subject to the measurement requirements of hedge accounting.

4.7 Inventories

Inventories are measured at the lower of cost or net realizable value. Where the net realizable value of inventories is lower than cost, the appropriate valuation adjustments are recognized as an expense in profit or loss. If the circumstances leading to the valuation adjustment cease to exist, the adjustment is reversed and recognized as revenue in profit or loss.

The cost price is obtained as follows:

- Raw materials and other supplies: weighted average cost price.
- 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 valued at standard costs (based on normal production capacity). No adjustment to inventory is recognized if the difference between standard cost and actual cost is not material.

The net realizable value is the estimated sale price in the normal course of business less the estimated costs required for the sale and, in the case of raw materials and products in process, the estimated costs required to complete production.

4.8 Equity

Share capital is represented by ordinary shares.

The cost of issuing new shares or options is presented directly under equity as a reduction of reserves.

In the case of acquisition of own shares by the Company, the consideration paid, including any directly attributable incremental cost, is deducted from equity until the shares are canceled, re-issued or disposed

of. If the shares are sold or re-issued, any amount received, net of any directly attributable incremental cost of the transaction, is recognized in equity.

4.9 Financial liabilities

4.9.1 Financial liabilities at amortized cost

This category generally includes trade accounts payable and non-trade accounts payable:

- a) Trade accounts payable: financial liabilities arising from the purchase of goods and services as part of the company's business operations where payment is deferred, and
- b) Non-trade accounts payable: financial liabilities other than derivatives that are not commercial in origin but arise from loans or credit received by the company.

Participation loans that have the characteristics of an ordinary or common loan are also included in this category, without prejudice to the agreed interest rate (zero or below market).

Initial measurement

Financial liabilities in this category are measured initially at fair value, which is the transaction price, i.e. the fair value of the consideration received, adjusted for directly attributable transaction costs.

Nevertheless, trade accounts payable maturing at over one year which do not have a contractual interest rate, and capital calls by third parties whose amount is expected to be paid in the short term, are measured at their nominal value provided that the effect of not discounting the cash flows is not material.

Subsequent re-measurement

Financial liabilities in this category are measured at amortized cost. Accrued interest is recognized in profit or loss using the effective interest rate method.

Nevertheless, debts maturing in less than one year that are measured initially at nominal value continue to be valued at that amount. This category includes both trade and non-trade accounts payable. This debt is classified under current liabilities unless the Company has an unconditional right to defer the liability settlement for at least twelve months from the balance sheet date, in which case it is classified under non-current liabilities.

These debts are recognized initially at fair value adjusted for directly-allocable transaction costs, and are subsequently recognized at amortized cost in accordance with the effective interest rate method. The effective interest rate is the discount rate that matches the carrying amount of the instrument with the projected flow of future payments up to the liability's maturity.

Nevertheless, trade accounts payable maturing at over one year which do not have a contractual interest rate are measured, both initially and subsequently, at their nominal value provided that the effect of not discounting the cash flows is not material.

If existing debts are renegotiated, no material changes are considered to exist if the new lender is the same as the initial lender and the present value of the cash flows, including net fees, does not differ by more than 10% from the present value of the outstanding cash flows payable on the original liability calculated using the same method.

4.10 Subsidies received

Repayable subsidies are recognized as liabilities until the conditions rendering them non-repayable are met; non-repayable subsidies are recognized as revenues directly in equity and are recognized as revenues on a systematic, rational basis in line with the expenses arising from the subsidy. Non-repayable subsidies from shareholders are recognized directly in equity.

For these purposes, a subsidy is considered to be non-repayable when there is an individual agreement to grant the subsidy, all the conditions established for granting it have been fulfilled, and there are no reasonable doubts that it will be collected.

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.

Non-repayable subsidies related to the acquisition of intangible assets, property, plant and equipment and investment property are recognized in profit or loss in proportion to the depreciation/amortization of the related assets or when the asset is disposed of, impaired or derecognized.

Non-repayable subsidies related to specific expenses are recognized in profit or loss in the year in which the corresponding expenses accrue, and those granted to offset an operating deficit are recognized in the year in which they are granted, except where they are allocated to offset operating deficits in future years, in which case they are recognized in those years.

Additionally, implicit interest on zero-rate and other concessional loans from the Ministry of Industry is recognized in equity as a non-refundable subsidy. These subsidies are recognized as revenue for the year in proportion to the associated expenses.

4.11 Current and deferred taxes

The income tax expense (revenue) is the amount accruing under this heading in the year and comprises the expense (revenue) for current and deferred taxes.

The expense (revenue) for current and deferred taxes is recognized in profit or loss. Nevertheless, the tax effect of items that are recognized directly in equity is recognized in equity.

Current tax assets and liabilities are recognized for the amount expected to be paid to, or recovered from, the tax authorities, in accordance with the legislation enacted or substantively enacted at year-end.

Deferred taxes are measured, in accordance with the liability method, based on the temporary differences arising between the tax base of the assets and liabilities and their carrying amounts. 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 tax base at the time of recognition are not recognized. The deferred tax is determined by applying the tax regulations and rates enacted or substantively enacted on the balance sheet date and which are expected to apply when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized insofar as it is probable that there will be future taxable income to offset temporary differences (Note 2.2).

At each accounting close, deferred tax assets are remeasured and impairment is recognized to the extent that there are doubts as to their recovery in the future. Also, at each accounting close, the deferred tax assets not recognized on the balance sheet are remeasured and are recognized to the extent that they are likely to be recovered against future taxable income.

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 Company 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.

Consolidated income tax

Pharma Mar, S.A. is the leading company of the group of companies for corporate income tax purposes with number 29/93.

The companies comprising the tax group in 2024 are: Sylentis, S.A.U., with Pharma Mar, S.A. as leading company.

It is consolidated Group policy to recognize the tax expense at individual undertakings in accordance with the resolution of the ICAC (Spanish Accounting and Audit Institute) dated 9 February 2016.

4.12 Employee benefits

4.12.1 Share-based compensation

The company operates share-based incentive plans for employees. Those plans are subject to a lock-up period during which employees must continue to work for the Company.

The fair value of the services provided by the employees in exchange for the shares is recognized under personnel expenses as the services are provided, during the lock-up period, and a reserve for the incentive plans is recognized simultaneously in equity for the same amount.

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 profit or loss during the lock-up period. The Company regularly reviews its assumptions and adjusts any deviation resulting from employee rotation.

4.12.2 Termination indemnities

Termination indemnities are paid to employees as a result of the Company's decision to terminate the employment contract before the normal retirement age or when the employee agrees to resign in exchange for those benefits.

The Company recognizes these benefits when it has demonstrably decided to terminate the employees in accordance with an irrevocable formal detailed plan or to provide termination indemnities as a result of an offer to encourage voluntary retirement. Benefits that are not to be paid in the twelve months following the balance sheet date are discounted to their present value.

4.13 Provisions and contingent liabilities

Provisions for environmental restoration, restructuring costs and litigation are recognized when the Company has a present obligation, either legal or implicit, as a result of past events, an outflow of funds is likely to be necessary in the future to settle the obligation, and the amount can be estimated reliably. Restructuring provisions include lease cancellation penalties and employee termination indemnities. No provisions are recognized for future operating losses.

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. Adjustments due to updating the provision are recognized as a financial expense as they accrue.

Provisions maturing at one year or less that do not have a material financial effect are not discounted.

When part of the disbursement required to settle the provision is expected to be paid by a third party, the reimbursement is recognized as a separate asset provided that its collection is practically assured.

Obligations arising as a result of past events whose materialization is conditional upon the occurrence or non-occurrence of one or more future events outside the Company's control are treated as contingent liabilities. Those contingent liabilities are not recognized in the accounts but are disclosed in detail in the notes to financial statements.

4.14 Recognition of revenues

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 Company'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 Company'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.

Where the price set in contracts with customers includes variable consideration, the best estimate of the variable consideration is included in the price to be recognized to the extent that it is very likely that there will not be a significant reversal of the amount of revenue recognized when the uncertainty associated with the variable consideration is subsequently resolved. The Company bases its estimates on historical information, taking into account the type of customer, the type of transaction and the specific terms of each agreement.

4.14.1 Revenue from the sale of products

The Company sells in the European Union by virtue either of the marketing approval received from the European Medicines Agency (EMA) for soft tissue sarcoma (since 2007) and relapsed platinum-sensitive ovarian cancer (since 2009), or of the Temporary Authorizations for Use (TAU) granted by some European Union countries such as France (Autorisation d'accès compassionnel — AAC).

Sales are recognized when control of the products has been transferred, i.e., when the products are delivered to the end customer, who has full discretion over the channel and price for selling the products, and there are no unfulfilled obligations that might affect customer acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, the customer has accepted the products in accordance with the sale contract, and the acceptance period has ended or the Company has objective evidence that all acceptance criteria have been met.

Where the Company sells to subsidiaries, it recognizes the amount of sales at the time of product delivery to the subsidiary.

Where sales are made through distributors, two different situations may arise:

- sales to the distributor in Portugal: sales are recognized once the product is delivered to that distributor, since that is the point at which control over the goods is transferred.
- sales to distributors in the Nordic countries, Eastern Europe, Greece, Cyprus, Ireland and the United Kingdom, with which the Company has agreements for promotion and commercial distribution. In this model, the sale occurs once the product is shipped from the Company's warehouse in Spain to the distributors, since that is the point at which control over the goods is transferred. The commission collected by the aforementioned partners is recognized as a reduction in the amount of the sale when it occurs.

Distribution costs are recognized as period expenses.

4.14.2 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 Company 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 Company and/or are given access to products under development. 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 revenues must be matched with the costs and considerations to be paid by the Company.

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).

Revenues from licensing, development and similar agreements may arise during the compound's development phase:

- 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 or clinical nature.

Or they may arise during the commercialization phase:

- Royalties on sales.
- Revenues from the supply of products (raw materials),
- Milestone payments, which may refer to technical, regulatory or accumulated sales milestones.

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 Company does not assume material future obligations (except those for which separate consideration is provided for under arm's-length conditions), and
- substantially all of the risks and benefits inherent to the asset are transferred.

In the event that the conditions are not met, they are recognized as deferred revenues.

Deferred revenues are recognized in profit or loss over the term of the related commitments as a function of the degree of progress of the project, measured using an input model, as and when the obligations set out in the contract are met.

Additionally, any consideration linked to fulfillment of certain technical, regulatory or accumulated sales 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 Company does not recognize revenues in excess of the amount to which it is entitled.

Receipts attributed to the marketing phase, i.e. royalties and revenues for the supply of raw materials, 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.

4.14.3 Royalties

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

4.14.4 Interest revenues

Interest revenues on financial assets at amortized cost are recognized using the effective interest rate method. Where an account receivable is impaired, the Company writes the carrying amount down to the recoverable value, by discounting estimated future cash flows at the instrument's original effective interest rate, and carries the discount as a reduction in interest revenues. Interest revenues on loans that have suffered impairment are recognized using the effective interest rate method.

4.14.5 Dividends

Dividend revenues are recognized in profit or loss when the Company becomes entitled to collect them. Nevertheless, if the dividends paid are from profits obtained prior to the acquisition date, they are not recognized as revenues but, rather, are deducted from the carrying amount of the investment.

4.14.6 Provision of services

The Company provides advisory and support services to Group undertakings.

4.15 Foreign currency transactions

4.15.1 Functional and presentation currency

The financial statements are presented in euro, which is the Company's functional and presentation currency.

4.15.2 Transactions and balances

Foreign currency transactions are translated to the functional currency at the exchange rates ruling on the transaction date. Exchange gains or losses arising on the settlement of those transactions and on translating monetary assets and liabilities denominated in foreign currency at the year-end exchange rate are recognized in profit or loss, except when deferred in equity as a qualifying cash flow hedge or qualifying net investment hedge.

Fair value changes in available-for-sale financial assets denominated in foreign currency are analyzed as the exchange differences resulting from changes in the amortized cost of the instrument and other changes in the security's carrying amount. Exchange differences are recognized in profit or loss and other changes to the carrying amount are recognized in equity.

Exchange differences on non-monetary items, such as equity instruments at fair value through profit or loss, are presented as part of that gain or loss in fair value. Exchange differences on non-monetary items, such as available-for-sale equity instruments, are recognized in equity.

4.16 Related-party transactions

Related-party transactions are generally recognized initially at fair value. If the agreed price differs from fair value, the difference is recognized on the basis of the economic reality of the transaction. Subsequent measurements are performed in accordance with the applicable standards.

Nevertheless, in mergers, demergers and contributions of business lines, the items comprising the acquired business line are recognized for the amount that would correspond to them, upon completion of the transaction, in the consolidated financial statements of the group or subgroup.

When the controlling company of the group or subgroup, and its subsidiary, are not involved, the financial statements to be considered for this purpose will be those of the largest group or subgroup into which the equity items are integrated whose controlling company is Spanish.

In these cases, any difference disclosed between the net value of the acquiree's assets and liabilities, adjusted for the balance of grants, donations and bequests received, impairments, and any amount of capital and issue premium issued by the acquiring company, is recognized in reserves.

5. RISK POLICY AND MANAGEMENT

5.1 Financial risk factors

The Company's activities are subject to a number of financial risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk, and liquidity risk. The Company's overall risk management program focuses on the uncertainty of the financial markets and tries to minimize the potential adverse effects on the Company's returns. The finance department is responsible for risk management in accordance with the

guidelines provided by the Board of Directors. That department identifies, assesses and hedges financial risks. The Board establishes guidelines for overall risk management and for specific areas such as interest rate risk, liquidity risk, the use of derivatives and non-derivatives, and investment of surplus liquidity.

5.1.1 Market risk

5.1.1.1 Price risk

The Company's long-term financial assets are securities of biopharmaceutical companies. The volume of investment in this type of asset is not material in the context of the Company's operations; accordingly, the related price risk is very low.

The Company'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 almost entirely government bonds and deposits at banks with good credit quality, with the result that their value does not fluctuate significantly.

5.1.1.2 Exchange rate risk

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

As of 31 December 2024, balances denominated in currencies other than the euro, mainly US dollars, amounted to €36,002 thousand (€44,522 thousand in 2023) (Note 23.3). 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 €1,225 thousand (€1,470 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 €1,286 thousand (€1,544 thousand in 2023).

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

5.1.1.3 Interest rate risk on cash flows and fair values

The Company's interest rate risk arises from remunerated financial assets that can be converted into cash. The remunerated financial assets consist basically of government bonds and deposits remunerated at floating interest rates referenced to Euribor.

The Company's interest rate risk arises from interest-bearing debt. Floating-rate debt exposes the Company to interest rate risk. Fixed-rate debt exposes the Company to interest rate risk on the fair value. A sizable part of the debt is in the form of repayable advances from official bodies that are not subject to interest rate risk.

The Company 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 Company 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 liability positions.

5.1.2 Credit risk

Credit risk is managed in groups. Credit risk arises from cash and cash equivalents placed with banks and financial institutions, and from customer balances.

The banks and financial institutions with which the Company works generally have independent ratings. Where customers have an independent rating, that rating is used; otherwise, the Company assesses the risk based on 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.

Where the Company acquires financial assets other than government bonds, 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 fixed-income securities where security is prioritized in exchange for a slightly lower yield than other investments.

The credit quality of the financial assets and of customers with which the Company had balances as of 31 December 2024 and 2023 is set out in Note 10.3.

5.1.3 Liquidity risk

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 Company's goal is to maintain flexible financing by having sufficient funds in financial assets to settle its obligations.

As of 31 December 2024, the Company held cash and cash equivalents plus current financial assets amounting to €148,170 thousand (€152,948 thousand in 2023) and non-current financial assets amounting to €2,025 thousand (€5,632 thousand in 2023).

As of 31 December 2024, the company's current interest-bearing debt stood at €8,736 thousand (€10,465 thousand in 2023) and its non-current interest-bearing debt was €39,469 thousand (€26,416 thousand in 2023).

In 2024, the Company generated operating cash flows of €21,002 thousand; in 2023, it consumed cash flows amounting to €6,597 thousand.

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

- PharmaMar ended 2024 with cash and cash equivalents plus current and non-current financial assets amounting to €150,195 thousand.
- PharmaMar had unused credit lines in the amount €14,367 thousand.
- Working capital is positive in the amount of €165,452 thousand.

PharmaMar 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 financial statements, the directors of PharmaMar consider that PharmaMar has ample liquidity to cover its research and development projects and honor its future payment obligations.

The table below shows an analysis of the Company's financial liabilities grouped by maturity based on the period remaining between the balance sheet date and the contractual maturity date, excluding the corresponding interest. The amounts in the table are the contractual cash flows, which have not been discounted. Since these amounts are not discounted, they are not comparable to the amounts recognized as interest-bearing debt on the balance sheet.

31/12/24						2030 and thereafter	TOTAL Non-current	TOTAL
(thousand euro)	2025	2026	2027	2028	2029			
Bonds and other marketable securities	405	-	17,000	-	-	-	17,000	17,405
Bank loans	5,720	3,606	3,719	3,836	2,955	-	14,116	19,836
Debt to official authorities	1,874	1,847	1,970	1,480	1,576	2,941	9,813	11,687
Bank debt and debt to official authorities	7,594	5,452	5,689	5,316	4,531	2,941	23,929	31,523
Other financial liabilities	1,138	-	-	-	-	-	-	1,138
Current accounts payable to group and associated undertakings	2,762	-	-	-	-	-	-	2,762
Suppliers	768	-	-	-	-	-	-	768
Suppliers - group and associated undertakings	5,494	-	-	-	-	-	-	5,494
Sundry creditors	29,621	-	-	-	-	-	-	29,621
Customer advances	1,410	-	-	-	-	-	-	1,410
TOTAL	49,190	5,452	22,689	5,316	4,531	2,941	40,929	90,119

31/12/23						2029 and thereafter	TOTAL Non-current	TOTAL
(thousand euro)	2024	2025	2026	2027	2028			
Bonds and other marketable securities	405	-	-	17,000	-	-	17,000	17,405
Bank loans	6,789	-	-	-	-	-	-	6,789
Debt to official authorities	2,606	1,874	1,847	1,970	1,422	4,161	11,274	13,880
Bank debt and debt to official authorities	9,395	1,874	1,847	1,970	1,422	4,161	11,274	20,669
Other financial liabilities	1,132	-	-	-	-	-	-	1,132
Current accounts payable to group and associated undertakings	3,529	-	-	-	-	-	-	3,529
Suppliers	891	-	-	-	-	-	-	891
Suppliers - group and associated undertakings	4,733	-	-	-	-	-	-	4,733
Sundry creditors	20,858	-	-	-	-	-	-	20,858
Customer advances	1,003	-	-	-	-	-	-	1,003
TOTAL	41,946	1,874	1,847	18,970	1,422	4,161	28,274	70,220

5.2 Fair value estimates

The fair value of financial instruments that are traded in an active market (e.g. securities held for trading and available for sale) is based on the market price on the balance sheet date. The market price used for financial assets is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using measurement techniques. The Company uses a variety of methods and makes assumptions based on the market conditions at each balance sheet date. Listed market prices or agent quotations are used for long-term debt. Other techniques, such as discounting estimated cash flows, are used to determine the fair value of the other financial instruments. The fair value of forward exchange rate contracts is determined by using the exchange rates quoted in the market on the balance sheet date.

The carrying amount of trade accounts payable and receivable is assumed to approximate their fair value. The fair value for the purposes of presenting the financial information is estimated by discounting the contractual future cash flow at the current market interest rate available to the Company for similar financial instruments.

The fair value of repayable advances that are interest-free or at a subsidized interest rate is determined by applying, to the repayments to be made, the yield curve in force on the date of receipt of the advance plus the spread normally paid by the Company on loans.

The fair value of floating-rate loans is estimated to coincide with the carrying amount.

6. Intangible assets

The breakdown and changes in the "Intangible Assets" account as of 31 December 2024 and 2023 are as follows:

2024

(thousand euro)	Development	Computer software	TOTAL
Cost			
Balance as of 31/12/23	264,332	4,622	268,954
Recognitions	-	162	162
Derecognitions (Note 6.6)	(1,455)	(1,115)	(2,570)
Balance as of 31/12/24	262,877	3,669	266,546
Impairment			
Balance as of 31/12/23	(356)	-	(356)
Balance as of 31/12/24	(356)	-	(356)
Accumulated amortization			
Balance as of 31/12/23	(263,274)	(3,609)	(266,883)
Provisions	(702)	(338)	(1,040)
Derecognitions	1,455	1,068	2,523
Balance as of 31/12/24	(262,521)	(2,879)	(265,400)
Net carrying amount 31/12/24	-	790	790

2023

(thousand euro)	Development	Computer software	TOTAL
Cost			
Balance as of 31/12/22	264,332	4,275	268,607
Recognitions	-	351	351
Derecognitions (Note 6.1)	-	(57)	(57)
Transfers	-	53	53
Balance as of 31/12/23	264,332	4,622	268,954
Impairment			
Balance as of 31/12/22	(356)	-	(356)
Balance as of 31/12/23	(356)	-	(356)
Accumulated amortization			
Balance as of 31/12/22	(262,572)	(3,351)	(265,923)
Provisions	(702)	(315)	(1,017)
Derecognitions	-	57	57
Balance as of 31/12/23	(263,274)	(3,609)	(266,883)
Net carrying amount 31/12/23	702	1,013	1,715

6.1 Development

The Company continued to develop the molecules in its pipeline during 2024.

Recoverability analysis

"Development" expenses are measured at cost, corrected at year-end if there is objective evidence that the investment will not be recovered. The carrying amount must be corrected to the recoverable amount, i.e. the fair value less selling costs or the present value of the future cash flows arising from the investment, whichever is higher.

The basis for the impairment test applied to capitalized "Development" expenses on the balance sheet varies depending on the available information, and the best evidence for each project is selected on the basis of its current phase of development.

Yondelis

As of 31 December 2024, there are no capitalized expenses relating to Yondelis as they have been fully amortized.

Zepzelca (lurbinectedin)

As of 31 December 2024, there are no capitalized expenses relating to Zepzelca as they have been fully amortized.

As of 31 December 2023, capitalized development expenses, which amounted to €702 thousand, corresponded to the amounts PharmaMar allocated to preparing the registration dossier for the Phase II basket clinical trial with lurbinectedin in small cell lung cancer, which was submitted to the US FDA in December 2019 to request approval to market that compound.

6.2 Capitalized financial expenses

There were no capitalized financial expenses as of 2024 and 2023 year-end.

6.3 Intangible assets located in other countries

There are no intangible assets located in other countries

6.4 Intangible assets acquired from group and associated undertakings

No assets were acquired from group or associated undertakings in 2024. During 2024, software was acquired from a group company, Genómica S.A.U. en liquidación, for €65 thousand.

6.5 Fully amortized assets

The Development item was fully amortized as of 31 December 2024.

Computer software includes €1,996 thousand which had been fully amortized (€2,800 thousand as of 31 December 2023)

6.6 Derecognitions

In 2024, the amount shown as derecognitions (€1,115 thousand) reflects obsolete software licenses that were replaced with new licenses (€57 thousand in 2023).

6.7 Assets designated as collateral and subject to ownership restrictions

As of 31 December 2024 and 2023, there were no intangible assets subject to ownership restrictions or pledged as collateral for liabilities.

6.8 Subsidies received to finance research and development

As of 31 December 2024, the Company had €1,276 thousand (€1,570 thousand in 2023) under "Official capital subsidies" to finance research and development activities. €75 thousand of that balance (€1,331 thousand in 2023) relate to the subsidy component that is calculated to exist in repayable loans obtained at zero or below-market interest rates from official authorities to finance research and development activities (Note 19).

7. PROPERTY, PLANT AND EQUIPMENT

The detail and changes in the Property, Plant and Equipment account as of 31 December 2024 and 2023 are as follows:

2024

(thousand euro)	Land and structures	Installations	Construction in progress and advances	TOTAL
Cost				
Balance as of 31/12/23	24,592	41,423	1,749	67,764
Recognitions	-	1,435	1,417	2,852
Transfers	-	1,833	(1,833)	-
Derecognitions	-	(2,437)	-	(2,437)
Balance as of 31/12/24	24,592	42,254	1,333	68,179
Impairment				
Balance as of 31/12/23	(1,127)	-	-	(1,127)
Impairment (Note 23.7)	284	-	-	284
Balance as of 31/12/24	(843)	-	-	(843)
Accumulated amortization				
Balance as of 31/12/23	(10,606)	(29,881)	-	(40,487)
Provisions	(605)	(1,955)	-	(2,560)
Derecognitions	-	2,314	-	2,314
Balance as of 31/12/24	(11,211)	(29,522)	-	(40,733)
Net carrying amount 31/12/24	12,538	12,731	1,333	26,603

2023

(thousand euro)	Land and structures	Installations	Construction in progress and advances	TOTAL
Cost				
Balance as of 31/12/22	29,042	38,638	1,491	69,171
Recognitions	-	1,717	1,837	3,554
Transfers	-	1,504	(1,557)	(53)
Derecognitions	(4,450)	(436)	(22)	(4,908)
Balance as of 31/12/23	24,592	41,423	1,749	67,764
Impairment				
Balance as of 31/12/22	(1,248)	-	-	(1,248)
Impairment (Note 23.7)	121	-	-	121
Balance as of 31/12/23	(1,127)	-	-	(1,127)
Accumulated amortization				
Balance as of 31/12/22	(10,001)	(28,606)	-	(38,607)
Provisions	(605)	(1,684)	-	(2,289)
Derecognitions	-	409	-	409
Balance as of 31/12/23	(10,606)	(29,881)	-	(40,487)
Net carrying amount 31/12/23	12,859	11,542	1,749	26,150

As of 31 December 2024, the net carrying amount of land and structures was €5,856 thousand and €6,682 thousand, respectively (€5,573 thousand and €7,286 thousand, respectively, in 2023).

Technical installations and machinery recognized in 2024 and 2023 relate mainly to the acquisition of various items of equipment for the production and R&D areas. Construction in progress refers to the refurbishment of the R&D rooms.

In 2023, disposals of land and buildings reflected the transfer of title to the industrial building located at calle del Progreso, number 3, Getafe (Madrid), purchased by Pharma Mar in 2022 for €4,450 thousand, to its subsidiary Sylentis. That contribution to the subsidiary was recognized for the same amount as only a few months had elapsed since the acquisition and there had not been a material change in the fair value. Of that amount, €1,662 thousand relate to "Land" and €2,788 thousand to "Structures".

7.1 Partial reversal of impairment

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).

7.2 Assets acquired from Group and associated undertakings

In 2024, the Company did not acquire any property, plant or equipment from any of the group companies. During 2023, the Company acquired property, plant and equipment from a group company, Genómica S.A.U. en liquidación, for €15 thousand.

7.3 Fully depreciated assets

As of 31 December 2024, the Company was using assets with a carrying amount of €21,658 thousand which had been fully depreciated (€23,029 thousand as of 31 December 2023).

7.4 Property, plant and equipment pledged as collateral

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

7.5 Assets acquired under finance leases

There were no finance leases outstanding as of the end of 2024 and 2023.

7.6 Subsidies received

No fixed assets financed by subsidies from public authorities were acquired in 2024 and 2023.

7.7 Insurance

The Company has arranged insurance policies to cover the risks to which its property, plant and equipment are subject. The cover of these policies is deemed to be sufficient.

7.8 Assets located in other countries

There is no property, plant and equipment located outside Spanish territory.

7.9 Commitments to acquire fixed assets

The Company did not have any commitments to acquire fixed assets at 2024 and 2023 year-end.

8. INVESTMENT PROPERTY

As of 31 December 2024, the Company had land which was held for appreciation and rental income as "Investment property" for a total net amount of €845 thousand (€845 thousand in 2023).

It is a plot of land located at Avda. de la Industria no. 52, in Polígono Industrial de Tres Cantos (Madrid), which is under a 25-year lease since 2016.

Revenues under this heading amounted to €72 thousand in 2024 (€69 thousand in 2023).

9. OPERATING LEASES

The Company has equipment leases (vehicles, computers and software) and operating leases (laboratories, offices, cold stores, document archives and material stores). The equipment leases can be canceled upon payment of the established penalty and the operating leases can be canceled subject to advance notice.

The minimum total future payments for non-cancelable operating leases are as follows:

OPERATING LEASE COMMITMENTS (thousand euro)	31/12/24	31/12/23
Less than 1 year	2,385	2,543
1 to 5 years	2,556	1,522
TOTAL	4,941	4,065

The expense recognized in profit or loss amounted to €2,396 thousand in 2024 (€2,316 thousand in 2023).

10. ANALYSIS OF FINANCIAL INSTRUMENTS

10.1 Analysis by category

The carrying amount of each category of financial instrument established in the accounting and measurement rules for "Financial Instruments", except for investments in the equity of group, multi-group and associated undertakings (Note 11) and assets and liabilities with public authorities (Note 24), is as follows:

10.1.1 Current and non-current financial assets and liabilities

2024

	Financial Assets at amortized cost	Financial Assets at fair value through equity	Financial assets at fair value through profit or loss	Financial assets at cost	TOTAL
(thousand euro)					
Non-current financial assets					
Financial assets – Group undertakings (Note 14.2)	4,314	-	-	-	4,314
Non-current financial assets (Notes 12 & 14)	-	331	-	6	337
Other financial assets (Notes 14.1 & 15)	2,025	-	-	-	2,025
					-
Current financial assets					
Customer and other accounts receivable (Note 14.3)	32,719	-	-	-	32,719
Customer and other accounts receivable - Group and associated undertakings (Notes 14 & 30)	1,202	-	-	-	1,202
Financial assets – Group undertakings (Notes 14 and 30)	96	-	-	-	96
Current financial assets (Note 15)	87,850	-	2,847	-	90,697
Other financial assets (Note 14)	1,852	-	-	-	1,852
	130,056	331	2,847	6	133,240

	Financial Liabilities at amortized cost	TOTAL
Non-current financial liabilities		
Bonds and other marketable securities (Note 20.1)	16,831	16,831
Bank loans (Note 20.2)	14,116	14,116
Other financial liabilities (Note 20.3)	8,522	8,522
Current financial liabilities		
Bonds and other marketable securities (Note 20.1)	405	405
Bank loans (Notes 20.2 & 20.3)	7,193	7,193
Other financial liabilities	1,138	1,138
Current accounts payable – Group and associated undertakings (Notes 20 & 30)	2,762	2,762
Supplier accounts payable - Group and associated undertakings (Notes 20 & 30)	5,494	5,494
Suppliers	768	768
Sundry creditors	29,621	29,621
Personnel (compensation payable)	8,077	8,077
Customer advances	1,410	1,410
	96,337	96,337

2023

	Financial Assets at amortized cost	Financial Assets at fair value through equity	Financial assets at fair value through profit or loss	Financial assets at cost	TOTAL
(thousand euro)					
Non-current financial assets					
Financial assets – Group undertakings (Note 14.2)	31,130	-	-	-	31,130
Non-current financial assets (Notes 12 & 14)	-	330	-	6	336
Other financial assets (Notes 14.1 & 15)	5,632	-	-	-	5,632
Current financial assets					
Customer and other accounts receivable (Note 14.3)	25,038	-	-	-	25,038
Customer and other accounts receivable - Group and associated undertakings (Notes 14 & 30)	1,833	-	-	-	1,833
Financial assets – Group undertakings (Notes 14 and 30)	639	-	-	-	639
Current financial assets (Note 15)	96,200	-	5,969	-	102,169
Other financial assets (Note 14)	3,109	-	-	-	3,109
	163,581	330	5,969	6	169,886

	Financial Liabilities at amortized cost	TOTAL
Non-current financial liabilities		
Bonds and other marketable securities (Note 20.1)	16,769	16,769
Bank loans (Note 20.2)	-	0
Other financial liabilities (Note 20.3)	9,647	9,647
Current financial liabilities		
Bonds and other marketable securities (Note 20.1)	405	405
Bank loans (Notes 20.2 & 20.3)	8,928	8,928
Other financial liabilities	1,132	1,132
Current accounts payable – Group and associated undertakings (Notes 20 & 30)	3,529	3,529
Supplier accounts payable - Group and associated undertakings (Notes 20 & 30)	4,733	4,733
Suppliers	891	891
Sundry creditors	20,858	20,858
Personnel (compensation payable)	7,108	7,108
Customer advances	1,003	1,003
	75,003	75,003

10.2 Analysis by maturity

The amounts of financial instruments with a fixed or determinable maturity, by year of maturity, are as follows:

FINANCIAL ASSETS / LIABILITIES								
BY MATURITY							Total non-	
(thousand euro) 2024	2025	2026	2027	2028	2029	Subsequent years	Current	TOTAL
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	-	-	-	-	-	331	331	331
Equity instruments (Note 12)	-	-	-	-	-	331	331	331
Financial assets at fair value through profit or loss	2,847	-	-	-	-	-	-	2,847
Other financial assets	2,847	-	-	-	-	-	-	2,847
Financial assets at cost	-	-	-	-	-	6	6	6
Loans to third parties	-	-	-	-	-	6	6	6
FINANCIAL ASSETS AT AMORTIZED COST	123,718	1,789	-	-	-	4,549	6,338	130,056
Financial assets – Group undertakings (Notes 14.2 & 30)	96	-	-	-	-	4,314	4,314	4,409
Other financial assets (Note 14.1)	-	159	-	-	-	-	159	159
Sundry debtors	267	-	-	-	-	-	-	267
Personnel	105	-	-	-	-	-	-	105
Accruals	1,479	-	-	-	-	-	-	1,479
Customer receivables for sales and services (Note 14.3)	32,719	-	-	-	-	-	-	32,719
Customer receivables - Group and associated undertakings (Notes 14.4 & 30)	1,202	-	-	-	-	-	-	1,202
Other financial assets (Note 15)	-	1,631	-	-	-	235	1,866	1,866
Short-term deposits (Note 15)	87,850	-	-	-	-	-	-	87,850
TOTAL	126,564	1,789	-	-	-	4,886	6,675	133,240
FINANCIAL LIABILITIES AT AMORTIZED COST								
Bonds and other marketable securities (Note 20.1)	405	-	16,831	-	-	-	16,831	17,235
Bank loans and credit lines (Note 20.2)	5,720	3,606	3,719	3,836	2,955	-	14,116	19,836
Debt to official authorities (Note 20.3)	<u>1,473</u>	<u>1,511</u>	<u>1,683</u>	<u>1,257</u>	<u>1,395</u>	<u>2,676</u>	<u>8,522</u>	<u>9,995</u>
Bank debt and debt to official authorities	7,194	5,117	5,402	5,093	4,351	2,676	22,638	29,832
Current accounts payable – Group and associated undertakings (Notes 20 & 30)	2,762	-	-	-	-	-	-	2,762
Supplier accounts payable - Group and associated undertakings (Notes 20 & 30)	5,494	-	-	-	-	-	-	5,494
Suppliers	768	-	-	-	-	-	-	768
Sundry creditors	29,621	-	-	-	-	-	-	29,621
Personnel (compensation payable)	8,077	-	-	-	-	-	-	8,077
Customer advances	1,410	-	-	-	-	-	-	1,410
Other financial liabilities	1,138	-	-	-	-	-	-	1,138
TOTAL	56,868	5,117	22,232	5,093	4,351	2,676	39,469	96,337

FINANCIAL ASSETS / LIABILITIES
BY MATURITY

(thousand euro) 2023

	2024	2025	2026	2027	2028	Subsequent years	Total non- Current	TOTAL
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	-	-	-	-	-	330	330	330
Equity instruments (Note 12)	-	-	-	-	-	330	330	330
Financial assets at fair value through profit or loss	5,969	-	-	-	-	-	-	5,969
Other financial assets	5,969	-	-	-	-	-	-	5,969
Financial assets at cost	-	-	-	-	-	6	6	6
Loans to third parties	-	-	-	-	-	6	6	6
FINANCIAL ASSETS AT AMORTIZED COST	126,819	3,265	1,631	-	-	31,866	36,762	163,581
Financial assets – Group undertakings (Notes 14.2 & 30)	639	-	-	-	-	31,130	31,130	31,769
Other financial assets (Note 14.1)	-	167	-	-	-	-	167	167
Sundry debtors	198	-	-	-	-	-	-	198
Personnel	104	-	-	-	-	-	-	104
Accruals	2,807	-	-	-	-	-	-	2,807
Customer receivables for sales and services (Note 14.3)	25,038	-	-	-	-	-	-	25,038
Customer receivables - Group and associated undertakings (Notes 14.4 & 30)	1,833	-	-	-	-	-	-	1,833
Other financial assets (Note 15)	-	3,098	1,631	-	-	736	5,465	5,465
Short-term deposits (Note 15)	96,200	-	-	-	-	-	-	96,200
TOTAL	132,788	3,265	1,631	-	-	32,202	37,098	169,886
FINANCIAL LIABILITIES AT AMORTIZED COST								
Bonds and other marketable securities (Note 20.1)	405	-	-	16,769	-	-	16,769	17,174
Bank loans and credit lines (Note 20.2)	6,789	-	-	-	-	-	-	6,789
Debt to official authorities (Note 20.3)	<u>2,139</u>	<u>1,491</u>	<u>1,511</u>	<u>1,692</u>	<u>1,209</u>	<u>3,744</u>	<u>9,647</u>	<u>11,786</u>
Bank debt and debt to official authorities	8,928	1,491	1,511	1,692	1,209	3,744	9,647	18,575
Current accounts payable – Group and associated undertakings (Notes 20 & 30)	3,529	-	-	-	-	-	-	3,529
Supplier accounts payable - Group and associated undertakings (Notes 20 & 30)	4,733	-	-	-	-	-	-	4,733
Suppliers	891	-	-	-	-	-	-	891
Sundry creditors	20,858	-	-	-	-	-	-	20,858
Personnel (compensation payable)	7,108	-	-	-	-	-	-	7,108
Customer advances	1,003	-	-	-	-	-	-	1,003
Other financial liabilities	1,132	-	-	-	-	-	-	1,132
TOTAL	48,587	1,491	1,511	18,461	1,209	3,744	26,416	75,003

The "Non-current financial assets - Group undertakings" account as of 31 December 2024 and 2023 contained the loans indicated in Note 14.2. Those loans were classified as non-current since they have no fixed maturity and the directors do not intend to repay them in the short term.

10.3 Credit quality of financial assets

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

ACCOUNTS RECEIVABLE (thousand euro)	31/12/24	31/12/23
Customers without an external credit rating		
New customers (under 6 months)	377	294
Pre-existing customers (over 6 months)	32,342	24,744
TOTAL CUSTOMER RECEIVABLES FOR SALES AND SERVICES	32,719	25,038
Cash at bank and short-term bank deposits		
Moody's rating		
A+	569	2,152
A1	57	22
A2	96,496	40,427
A3	10,227	28,931
Baa1	13,194	10,416
Baa2	4,340	2,650
Baa3	-	23,131
NR	23,287	45,219
TOTAL CASH AND CASH EQUIVALENTS PLUS CURRENT FINANCIAL ASSETS	148,170	152,948
NR	1,866	5,465
TOTAL CASH AND CASH EQUIVALENTS PLUS NON-CURRENT FINANCIAL ASSETS	1,866	5,465

11. Holdings in group undertakings

11.1 Description of Group undertakings: registered offices and line of business

The registered office and line of business of each of PharmaMar's direct and indirect investees as of 31 December 2024 are summarized below:

COMPANY	Registered offices	Line of business
Sylentis, S.A.U. - Madrid (Spain)	Pza. del Descubridor Diego de Ordás 3, Madrid, Spain	Research, development, production and sale of products with therapeutic activity based on reducing or silencing gene expression. The Company does not have any products on the market.
Pharma Mar, USA Inc. - NY (USA)	195 Montague St. 12 th floor suite 1023 Brooklyn, NY 11201 USA	Marketing of pharmaceutical products.
PharmaMar, AG - Basel (Switzerland)	Aeschengraben 29, CH 4051 Basel (Switzerland)	Marketing of pharmaceutical products.
Pharma Mar, Sarl - Paris (France)	6 Rue de l'Est, 92100 Boulogne Billancourt, Paris, France	Marketing of pharmaceutical products.
Pharma Mar, GmbH - Berlin (Germany)	Uhlandstraße 14 - 10623 Berlin - Germany	Marketing of pharmaceutical products.
Pharma Mar, Srl - Milan (Italy)	Via Lombardia 2/A, Innov. Campus, Building B, Peschiera Borromeo, Milán, Italy	Marketing of pharmaceutical products.
Pharma Mar, Srl - Brussels (Belgium)	Rue de la Presse, 4 1000 Brussels, Belgium	Marketing of pharmaceutical products.
Pharma Mar Ges.m.b.H - Vienna (Austria)	Teinfaltstraße 9/7, 1010 Vienna, Austria	Marketing of pharmaceutical products.

11.2 PharmaMar stakes in Group undertakings

The detail of the holdings in group companies as of 31 December 2024 and 2023 is as follows:

Name and domicile	Statutory auditor	2024		2023	
		Percentage of ownership		Percentage of ownership	
		Direct %	Indirect %	Direct %	Indirect %
Genómica, S.A.U. en liquidación- Madrid (Spain) (*)	-	-	-	100.00%	-
Genómica, A.B. (in liquidation) - Sweden (**)	-	-	-	-	100.00%
Genómica Trading Co.Ltd. (in liquidation) (China) (**)	-	-	-	-	100.00%
Sylentis, S.A.U. - Madrid (Spain)	KPMG	100.00%	-	100.00%	-
Pharma Mar USA INC – NY (USA)	Walter & Shuffain	100.00%	-	100.00%	-
PharmaMar, AG - Basel (Switzerland)	PwC	100.00%	-	100.00%	-
Pharma Mar, Sarl - Paris (France)	KPMG	100.00%	-	100.00%	-
Pharma Mar, GmbH - Berlin (Germany)	-	100.00%	-	100.00%	-
Pharma Mar, Srl - Milan (Italy)	PwC	100.00%	-	100.00%	-
Pharma Mar, Srl - Brussels (Belgium)	KPMG	100.00%	-	100.00%	-
Pharma Mar Ges.m.b.H - Vienna (Austria)	-	100.00%	-	100.00%	-

(*) In liquidation in 2023

(**) Genómica A.B. and Genómica Ltd. are wholly-owned subsidiaries of Genómica, S.A.U.

The percentage of voting rights is proportional to the stake in capital.

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 the same date by the Sole Liquidator, was filed for registration with the Madrid Mercantile Register on 23 December 2024. Registration took effect on 8 January 2025.

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.

The Company periodically receives economic and financial information from all its investees. In compliance with article 155 of the consolidated text of the Capital Companies Act, PharmaMar has presented the required notifications to the companies in which it has direct and/or indirect holdings of more than 10%.

11.3 Changes in holdings in Group undertakings: Capital increases, business combinations

The changes in the holdings in group companies in 2024 and 2023 are as follows:

COMPANY	Cost	Provision	Balance as of 31/12/23	Recognition due to capital increase	Derecognition due to liquidation	Provision	Balance as of 31/12/24
Holdings in group undertakings							
Genómica, S.A.U. en liquidación	25,418	(25,418)	-	-	(25,418)	25,418	-
Sylentis, S.A.U.	82,018	(37,301)	44,717	56,000	-	(5,910)	94,807
Pharma Mar, USA INC	5,010	(5,010)	-	-	-	-	-
PharmaMar, AG	107	(52)	55	-	-	-	55
Pharma Mar, Sarl	1,641	(38)	1,603	-	-	-	1,603
Pharma Mar, GmbH	500	(29)	471	-	-	-	471
Pharma Mar, Srl	500	-	500	-	-	-	500
Pharma Mar, Srl (Belgium)	150	(43)	107	-	-	-	107
Pharma Mar Ges.m.b.H	100	-	100	-	-	-	100
	115,444	(67,890)	47,553	56,000	(25,418)	19,508	97,643

COMPANY	Cost	Provision	Balance as of 31/12/22	Recognition due to capital increase	Recognition due to shareholder contribution	Provision	Balance as of 31/12/23
Holdings in group undertakings							
Genómica, S.A.U. en liquidación	23,918	(23,918)	-	1,500	-	(1,500)	-
Sylentis, S.A.U.	77,568	-	77,568	-	4,450	(37,301)	44,717
Pharma Mar, USA INC	5,010	(5,010)	-	-	-	-	-
PharmaMar, AG	107	(52)	55	-	-	-	55
Pharma Mar, Sarl	1,641	(38)	1,603	-	-	-	1,603
Pharma Mar, GmbH	500	(29)	471	-	-	-	471
Pharma Mar, Srl	500	-	500	-	-	-	500
Pharma Mar, Srl (Belgium)	150	(43)	107	-	-	-	107
Pharma Mar Ges.m.b.H	100	-	100	-	-	-	100
	109,494	(29,090)	80,404	1,500	4,450	(38,801)	47,553

In 2024, the Company carried out two capital increases at its related company Sylentis S.A.U. by offsetting accounts payable to the Company by Sylentis in the amount of €56,000 thousand in total.

In June, it raised capital by issuing 120,000,000 shares, with a par value of €0.01 and a share premium of €0.24, giving a total amount of €30,000 thousand. In December, it raised capital by issuing 104,000,000 shares, with a par value of €0.01 and a share premium of €0.24, giving a total amount of €26,000 thousand.

In March 2023, the Company contributed equity to related company Sylentis, S.A.U. in the form of a plot of land located at calle Progreso in Getafe. The amount of the contribution was €4,450 thousand, the same amount for which the Company acquired the asset in November 2022, since this is not considered to differ materially from its fair value.

In December 2024, the Company recognized an impairment loss of €5,910 thousand on the investment in Sylentis to adjust the value of the investment to the recoverable value of the investee. The valuation method used is described in Note 11.3.1.

On 9 February 2024, it was announced that the Phase III trial conducted by Sylentis with tivanisiran for treating dry eye disease associated with Sjögren's syndrome had not attained its primary endpoint, related to efficacy. Consequently, in 2023 PharmaMar impaired the investment in Sylentis to adjust the value of the investment to the recoverable value of the investee. As a result of the new valuation, an impairment loss of €37,301 thousand was recognized.

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 the same date by the Sole Liquidator, was filed for registration with the Madrid Mercantile Register on 23 December 2024. Registration took effect on 8 January 2025.

In the first quarter of 2023, Genómica, S.A.U. en liquidación maintained production and sales in order to fulfil pre-existing commitments to customers.

In December 2023, the Company carried out a capital increase in Genómica, S.A.U. en liquidación for €1,500 thousand. That amount was impaired in its entirety.

11.3.1 Disclosures on equity of the Group undertakings and their net carrying amount at PharmaMar. Valuation methods for the holdings in Group undertakings

The amounts of capital, reserves, period income and other information of interest as of 31 December 2024 and 2023, as stated in each company's separate financial statements, and the net carrying amount at which PharmaMar has recognized its holding in each subsidiary, are as follows:

COMPANY	2024					Total capital and reserves	Carrying amount at parent company
	Capital	Reserves	Other items	Operating profit	2024 income		
Genómica, S.A.U. en liquidación(*)	-	-	-	-	-	-	-
Genómica, A.B. (in liquidation) (**)	-	-	-	-	-	-	-
Genómica Trading Co.Ltd. (in liquidation) (**)	-	-	-	-	-	-	-
Sylentis, S.A.U.	5,823	97,878	(52,071)	(24,683)	(25,320)	26,309	94,807
Pharma Mar, USA INC	5,010	(4,944)	-	20	12	78	-
Pharma Mar, Sarl	1,641	(106)	-	58	63	1,598	1,603
Pharma Mar, GmbH	25	1,345	-	72	50	1,420	471
PharmaMar, AG	107	15	-	35	9	132	55
Pharma Mar, Srl	500	1,652	-	64	33	2,185	500
Pharma Mar, Srl (Belgium)	150	59	-	17	6	215	107
Pharma Mar Ges.m.b.H	35	236	-	26	15	286	100
TOTAL	13,291	96,136	(52,071)	(24,391)	(25,132)	32,223	97,643

COMPANY	2023					Total capital and reserves	Carrying amount at parent company
	Capital	Reserves	Other items	Operating profit	2023 income		
Genómica, S.A.U. en liquidación(*)	787	140	685	(8,188)	(798)	814	-
Genómica, A.B. (in liquidation) (**)	6	-	3	(22)	(8)	1	-
Genómica Trading Co.Ltd. (in liquidation) (**)	235	-	(217)	4	3	21	-
Sylentis, S.A.U.	3,583	42,894	(11,159)	(39,690)	(39,673)	(4,355)	44,717
Pharma Mar, USA INC	5,010	(4,958)	-	42	10	62	-
Pharma Mar, Sarl	1,641	(166)	-	67	61	1,536	1,603
Pharma Mar, GmbH	25	1,276	-	88	70	1,371	471
PharmaMar, AG	107	12	-	6	5	124	55
Pharma Mar, Srl	500	2,038	-	86	(387)	2,151	500
Pharma Mar, Srl (Belgium)	150	60	-	22	(1)	209	107
Pharma Mar Ges.m.b.H	35	207	-	40	29	271	100
TOTAL	12,079	41,503	(10,688)	(47,545)	(40,689)	2,205	47,553

(*) In liquidation

(**) Genómica A.B. and Genómica Trading Co. Ltd. are wholly-owned subsidiaries of Genómica, S.A.U. en liquidación

Under point 2.5 ("Investments in the equity of Group undertakings") of Accounting and Measurement Standard 9, "Financial Instruments", of Spain's New General Accounting Plan, these investments must be carried at cost, corrected at year-end if there is objective evidence that the investment is not recoverable. The carrying amount must be corrected to the recoverable amount, i.e. the fair value less selling costs or the present value of the future cash flows arising from the investment, whichever is higher.

The basis for the impairment test applied to investments in group undertakings varies depending on the available information and the best evidence for each investee.

In the case of Sylentis, S.A.U., appraisals by independent experts have been used. The appraisals use a range of methods, each of which provides values subject to different degrees of probability, resulting in three valuation ranges: low, medium and high. Finally, a weighted average of the results obtained from each appraisal method is calculated. The methods are as follows: i) Sum of the parts, using the rNPV method and discounted cash flows, in relation to each of the open projects; ii) Market comparables; iii) Recent transactions; and iv) Using the valuations obtained with the above methods, a possible exit price an investor would currently pay based on an exit in three years' time.

In 2024, the test conducted using the above method showed an impairment of the investment of €5,910 thousand.

In 2023, after removing *tivanisirán* from the development pipeline, the average of the valuations was €37,301 thousand lower than the recognized cost of the investment plus the loans granted. Taking the lower range of the average of the valuations obtained, the Company would have recognized a provision €8,655 thousand higher for impairment of the investment. Conversely, at the high end, the provision would have been €10,307 thousand lower. Management considered that an impairment of €37,301 thousand adjusted the investment to fair value.

In 2024 and 2023, none of the investees are listed or distributed dividends.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

Holdings in companies

Shareholding	Line of business	Percentage of ownership	Percentage of ownership
		2024 Direct %	2023 Direct %
Instituto BIOMAR	Pharmaceutical research	3.49%	3.49%
Pangaea Biotech SA	Consulting services	0.07%	0.07%
Johnson & Johnson	Manufacture of pharmaceuticals, consumer products, and medical devices and diagnostics	0.00001%	0.00001%

The value of those holdings is as follows:

(thousand euro)	31/12/24	31/12/23
Instituto BIOMAR	252	252
Pangaea Biotech SA	50	50
Johnson&Johnson	29	28
	331	330

Those holdings are as follows:

- Unlisted securities: Instituto Biomar y Pangaea Biotech, available-for-sale financial investments in biopharmaceutical companies. The balance of these securities as of 31 December 2024 and 2023 was €302 thousand.
- Listed securities: Johnson&Johnson. The available-for-sale financial assets consist of biopharmaceutical company shares that are listed on the US market. Their fair value matches their listed market price. The balance of this item as of 31 December 2024 was €29 thousand (€28 thousand in 2023).

No provisions for losses were recognized in 2024. In 2023, a provision of €5 thousand was recognized for the depreciation of listed securities.

13. INVENTORIES

The Group classifies inventories as follows:

(thousand euro)	31/12/24	31/12/23
Raw materials and other supplies	1,420	1,782
Semi-finished products and products in process	47,962	36,658
Finished products	1,277	628
Supplier advances	1,080	-
	51,739	39,068

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 recognised for inventories in 2024 and 2023. No inventories have been committed as collateral for obligations or debt.

"Advances to suppliers" consists of advances paid to suppliers who manufacture intermediate products for us, which at the balance sheet date were pending receipt.

The Company has arranged an insurance policy to cover the risks to which the inventories are exposed. The

cover of this policy is deemed to be sufficient.

14. FINANCIAL ASSETS AT AMORTIZED COST

Financial assets at amortized cost are classified as follows:

(thousand euro)	31/12/24	31/12/23
LONG-TERM FINANCIAL ASSETS AT AMORTIZED COST	4,479	31,303
Long-term deposits and guarantees provided (Note 14.1)	159	167
Loans to third parties	6	6
Loans to Group undertakings (Notes 14.2 & 30)	4,314	31,130
SHORT-TERM FINANCIAL ASSETS AT AMORTIZED COST	35,870	30,621
Customer receivables (Note 14.3)	32,719	25,038
Customer receivables - Group and associated undertakings (Notes 14.4 & 30)	1,202	1,833
Current investment – Group and associated undertakings (Notes 14.2 & 30)	96	639
Sundry debtors	267	198
Personnel	105	104
Accruals	1,479	2,807
Long-term deposits and guarantees provided	2	2
TOTAL	40,349	61,924

14.1 Deposits and sureties

Long-term deposits and guarantees as of 31 December 2024 and 2023 include deposits for leases.

14.2 Loans to Group undertakings

As of 31 December 2024 and 2023, the "Non-current loans to group undertakings" caption includes the loan from PharmaMar to Sylentis amounting to €4,314 thousand (€31,130 thousand in 2023). That loan was classified as non-current since it has no fixed maturity and the directors do not intend it to be repaid in the short term.

The "Investments in group undertakings" item under current financial assets contains the amount of €96 thousand in 2024 and €639 thousand in 2023 relating to interest on loans to group undertakings (Note 30) generated between the parent company and its investee Sylentis S.A.U. as a result of these loans.

14.3 Customer receivables

The detail of customer balances by age is as follows:

(thousand euro)	31/12/24	31/12/23
Current balances	22,198	19,257
Balances past-due but not provisioned	10,704	5,781
Up to 3 months	9,357	3,671
3-6 months	675	1,651
Over 6 months	672	459
TOTAL CUSTOMER RECEIVABLES	32,902	25,038
Provisions	(183)	-
TOTAL NET CUSTOMER RECEIVABLES	32,719	25,038

In 2024, one of the Company's customers was declared insolvent; a provision was recognized for the total amount owed by that customer to Pharma Mar at year-end.

Balances with official authorities

As of 31 December 2024, accounts receivable from public authorities amounted to €5,416 thousand (€4,808 thousand in 2023).

In 2024 and 2023, the geographic breakdown of receivables from public authorities is as follows:

(thousand euro)	Credit rating	31/12/24
Spain	Aaau	340
France	Aaau	5,037
Austria	Aaa	34
Benelux	Aaa	5
TOTAL		5,416

(thousand euro)	Credit rating	31/12/23
Spain	Aa1	1,103
France	Aaau	3,620
Austria	Aa1	84
Benelux	Aaau	1
TOTAL		4,808

Debt owed by official authorities that was more than three months past-due amounted to €115 thousand as of 31 December 2024 (€908 thousand in 2023), and no impairments had been recognized on those amounts.

14.4 Receivable from group and associated undertakings

The balances and transactions with group undertakings in 2024 and 2023 are detailed in Note 30.

15. FINANCIAL ASSETS

In 2024, other non-current financial assets at amortized cost totaling €2,025 thousand include portfolios held at a number of institutions containing mainly corporate fixed-income securities that repay the nominal amount at maturity and mostly pay coupons. This amount includes €159 thousand of deposits provided.

Other current financial assets, amounting to €90,697 thousand in 2024, comprise term deposits of €79,831 thousand maturing between 22 January and 31 March 2025 with yields ranging from 2.59% to 2.90%, and portfolio investments with various entities amounting to €10,866 thousand in the form of corporate fixed-income assets.

In 2023, other non-current financial assets at amortized cost totaling €5,632 thousand include 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. This amount includes €167 thousand of deposits provided.

The balance of other current financial assets, amounting to €102,169 thousand, includes term deposits of €65,645 thousand maturing between 9 January and 13 May 2024 yielding between 0.89% and 3.75%; 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 portfolio investments with a number of institutions amounting to €22,714 thousand, which include government and corporate fixed-income securities and equities.

16. CASH AND CASH EQUIVALENTS

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

(thousand euro)	31/12/24	31/12/23
Cash on hand and at banks	20,274	18,450
Cash equivalents	37,199	32,329
TOTAL	57,473	50,779

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. In 2023, the amount corresponded to two deposits: one of USD 30,000 thousand (€27,149 thousand) and another of €5,180 thousand.

17. SHARE CAPITAL AND SHARE PREMIUM

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 €2,791,121.

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 reached the maximum amount of €4,999,920 (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.

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

Own shares purchased	2024		2023	
	Shares	Amount (euro)	Shares	Amount (euro)
July 2023 buyback program	69,178	2,792,122	350,222	12,207,081
May 2024 buyback program	132,679	4,999,921	-	-
December 2024 buyback program	8,200	645,442	-	-
Liquidity Contract (purchases)	179,670	10,192,949	436,918	21,873,734
	389,727	18,630,434	787,140	34,080,815

17.1 Share capital

As of 31 December 2024, the Company's capital stock was represented by 18,222,228 fully subscribed and paid ordinary shares (18,354,907 ordinary shares as of 31 December 2023) with a par value of €0.60 each, which are listed on the four Spanish stock exchanges.

As mentioned above, in 2024 the Company carried out a share buyback program in order to redeem the acquired shares, as a result of which a reduction in share capital of €80 thousand (establishing a restricted reserve for the same amount) and a reduction in voluntary reserves of €4,920 thousand were completed. A total of 132,679 shares were redeemed (€4,999,920). The capital reduction was registered with the Mercantile Register in December 2024.

Changes in share capital in 2024 and 2023 are shown in the following table:

	Euro	Shares
PharmaMar, S.A. share capital as of 31/12/2023	11,012,944	18,354,907
Capital reduction	79,607	132,679
PharmaMar, S.A. share capital as of 31/12/2024	10,933,337	18,222,228

According to information in the official registers of the Spanish National Securities Market Commission as of 31 December 2024 and 2023, holders of significant stakes in Pharma Mar, S.A., either directly or indirectly, amounting to over 10% are as follows:

2024	DIRECT STAKE		INDIRECT STAKE (1)		TOTAL
	No. of shares	%	No. of shares	%	%
José M ^a Fernández Sousa-Faro	1,114,147	6.114	955,150	5.242	11.356

2023	DIRECT STAKE		INDIRECT STAKE (1)		TOTAL
	No. of shares	%	No. of shares	%	%
José M ^a Fernández Sousa-Faro	1,114,147	6.070	954,460	5.200	11.270

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

17.2 Share premium account

The share premium account 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.

In 2024, a dividend of €0.65 per share was paid to shareholders charged to unrestricted reserves (share premium), the final amount of which totalled €11,420 thousand. This amount was calculated after excluding treasury shares held at the time the dividend was distributed. If these treasury shares had not existed, the total payout would have come to €11,931 thousand.

As of 31 December 2024, the share premium account amounted to €59,858 thousand (€71,278 in 2023).

17.3 Own shares

Changes in own shares in 2024 and 2023 are as follows:

	No. of shares	Amount (euro)
Balance as of 31/12/23	715,187	(31,091,149)
Own shares purchased	389,727	(18,630,434)
Reversal from share ownership plan	1,596	(59,581)
Own shares sold	(308,024)	13,170,363
Share ownership plan	(18,510)	783,806
Share redemptions	(132,679)	4,999,921
Balance as of 31/12/24	647,297	(30,827,074)

	No. of shares	Amount (euro)
Balance as of 31/12/22	247,288	(15,865,250)
Own shares purchased	787,140	(34,080,815)
Reversal from share ownership plan	262	(19,689)
Own shares sold	(303,869)	17,966,129
Share ownership plan	(15,634)	908,476
Balance as of 31/12/23	715,187	(31,091,149)

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).

In 2024, the Company acquired own shares worth €18,630 thousand (€34,081 thousand in 2023) and sold own shares worth €13,170 thousand (€17,966 thousand in 2023). Those sales resulted in a profit of €4,965 thousand (a loss of €3,797 thousand in 2023), which was recognized in the Company's reserves. The company has a liquidity contract in place with an external firm that provides independent management of the purchase and sale of own shares.

As previously stated, of the total of shares acquired in 2024 (389,727), 132,679 shares were redeemed. The amount of shares acquired for redemption was €5,000 thousand. Of this amount, €80 thousand reduced share capital and €4,920 thousand reduced the Company's reserves.

In the scope of the employee share ownership plan, a total of 18,510 shares were allocated in 2024 to 157 beneficiaries at a price of €28,3616 (15,634 shares were allocated in 2023 to 177 beneficiaries at a price of €42.2623), generating a loss of €259 thousand (€248 thousand in 2023). Additionally, a total of 1,596 shares reverted under the share ownership plan in 2024 (262 shares in 2023), of which 115 shares were from Genómica, S.A.U. en liquidación.

18. RESERVES AND PRIOR YEARS' INCOME

The detail of the Company's reserves as of 31 December 2024 and 2023 is as follows:

(thousand euro)	31/12/24	31/12/23
LEGAL AND BYLAW RESERVES	2,187	2,203
Legal reserve	2,187	2,203
Other reserves	277,068	277,005
Voluntary reserves	62,025	62,091
Merger reserve	215,160	215,160
Reserve for canceled capital	200	120
Other reserves	31	31
Difference due to redenomination of share capital		
in euro	2	2
Own shares and equity instruments	(350)	(399)
TOTAL	279,255	279,208

The balance of the "Prior years' loss" item is €82,608 thousand in 2024 (€69,052 thousand in 2023).

The changes in reserves in 2024 and 2023 were as follows:

(thousand euro)	31/12/23	Share redemptions	Gain/loss on own shares	Share ownership plan	31/12/24
LEGAL AND BYLAW RESERVES					
Legal reserve	2,203	(16)	-	-	2,187
Other reserves					
Voluntary reserves	62,091	(5,031)	4,965	-	62,025
Merger reserve	215,160	-	-	-	215,160
Reserve for canceled capital	120	80	-	-	200
Other reserves	31	-	-	-	31
Difference due to redenomination of share capital in euro	2	-	-	-	2
Own shares and equity instruments	(399)	-	-	49	(350)
TOTAL	279,208	(4,968)	4,965	49	279,255

(thousand euro)	31/12/2022	Gain/loss on own shares	Share ownership plan	31/12/23
Legal reserve				
Legal reserve	2,203	-	-	2,203
Other reserves				
Voluntary reserves	65,888	(3,797)	-	62,091
Merger reserve	215,160	-	-	215,160
Reserve for canceled capital	120	-	-	120
Other reserves	31	-	-	31
Difference due to redenomination of share capital in euro	2	-	-	2
Own shares and equity instruments	(402)	-	3	(399)
TOTAL	283,002	(3,797)	3	279,208

18.1 Legal reserve

Under article 274 of the Consolidated Text of the Capital Companies Act, approved by the Legislative Royal Decree of 2 July 2010, 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 may not be distributed and may only be used to offset losses if there are not sufficient unrestricted reserves available for this purpose, in which case it must be restored out of future income.

The legal reserve was adjusted by €16 thousand euros in 2024 with respect to 2023 due to the capital reduction carried out in November, charged to voluntary reserves. The balance of this item as of 31 December 2024 was €2,187 thousand (€2,203 thousand in 2023).

18.2 Other reserves

Voluntary reserves: In 2024, voluntary reserves decreased by €4,920 thousand as a result of the redemption of 132,679 shares completed in November, together with the reclassification of €80 thousand to the restricted reserve for amortized capital and the increase of €16 thousand to adjust the reserve. The ancillary costs of the reduction were also recognized in the reserve. In total, this decrease is partially offset by the profit obtained from treasury stock transactions in the amount of €4,965 thousand. The balance of this item as of 31 December 2024 was €62,025 thousand.

In 2023, the balance of voluntary reserves was reduced by €3,797 thousand as a result of transactions with own shares, with the result that the balance as of 31 December 2023 was €62,091 thousand.

Merger reserve: The merger reserve, which arose in 2015 as a result of the reverse merger between PharmaMar and Zeltia (formerly the group parent company), amounts to €215,160 thousand. This reserve is unrestricted.

Reserve for canceled capital: this reserve is restricted and amounted to €200 thousand at the end of 2024, having increased by €80 thousand due to

Other reserves: these consist of a reserve amounting to €31 thousand as of 31 December 2024 and 2023 for Differences in conversion to GAP 2007 because of the treatment of exchange gains that had accrued but not been realized.

Reserve for differences in converting capital to euro: this reserve amounts to €2 thousand and is restricted.

Own shares and equity instruments: this item, arising from the accrual of expenses during the lock-up period of the employee stock ownership plan, amounted to €350 thousand as of 31 December 2024, a decrease of €49 thousand with respect to 2023 (€399 thousand).

18.3 Limitations on dividend distribution

The distribution of reserves designated elsewhere in this note as unrestricted is subject to the limits established by law.

Under the Capital Companies Act, profits may not be distributed unless the amount of distributable reserves is at least equal to the amount of research and development expenses shown on the assets side of the balance sheet.

19. Subsidies, donations and legacies received

As of 31 December 2024, the "Subsidies, donations and other legacies received" item of the Company's equity includes €1,276 thousand of subsidies for loans from official authorities at zero or below-market interest rates (Notes 5.2 & 6.8). The balance of this item was €1,570 thousand in 2023.

Those subsidies were granted for the implementation of a number of development programs by the Company's projects, and the conditions under which they were granted have been met.

The changes in these subsidies are as follows:

(thousand euro)	31/12/24	31/12/23
BEGINNING BALANCE	1,570	968
Increase	454	1,121
Recognized in profit or loss	(748)	(519)
ENDING BALANCE	1,276	1,570

20. FINANCIAL LIABILITIES AT AMORTIZED COST

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

(thousand euro)	31/12/24	31/12/23
Bonds and other marketable securities (Note 20.1)	16,831	16,769
Bank loans (Note 20.2)	14,116	-
Debt to official authorities (Note 20.3)	8,522	9,647
Deferred revenues (Note 20.4)	15,893	19,866
NON-CURRENT FINANCIAL LIABILITIES AT AMORTIZED COST	55,362	46,282
Bonds and other marketable securities (Note 20.1)	405	405
Bank loans (Note 20.2)	5,720	6,789
Debt to official authorities (Note 20.3)	1,473	2,139
Other financial liabilities	1,138	1,132
Suppliers	768	891
Debt to group undertakings (Note 30)	5,494	4,733
Accounts payable to related parties (Notes 20.5 & 30)	2,762	3,529
Sundry creditors	29,621	20,858
Personnel	8,077	7,108
Customer advances	1,410	1,003
Deferred revenues (Note 20.4)	3,973	24,926
FINANCIAL LIABILITIES AT AMORTIZED COST	60,841	73,513
TOTAL FINANCIAL LIABILITIES AT AMORTIZED COST	116,203	119,795

The carrying amount of short-term debt is approximately the fair value since the effect of discounting is not material.

20.1 Bonds and other marketable securities

In 2015, the Company decided to issue non-convertible bonds for an amount of €17 million in order to strengthen its financial position and extend its debt maturity profile.

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

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

The debt is recognized at amortized cost under non-current liabilities.

Unpaid accrued interest amounted to €467 thousand as of 31 December 2024 (€464 thousand in 2023).

20.2 Bank debt

Current and non-current bank debt is broken down as follows:

(thousand euro)	31/12/24		31/12/23
	Non-current	Current	Current
Bank loans	14,116	884	231
Credit lines	-	4,703	6,516
Interest payable	-	133	42
TOTAL DEBTS AND ACCOUNTS PAYABLE	14,116	5,720	6,789

In 2024 the Company arranged a new bank loan for €15,000 thousand at a fixed interest rate of 3,10%, with a term of five years and a one-year grace period.

The maturity calendar of the bank debt in 2024 and 2023 is detailed in Note 10.2.

As of 31 December 2024, the limit of the credit lines is €19,000 thousand (€14,000 thousand in 2023), against which the Company had drawn €4,703 thousand (€6,516 thousand in 2023) including credit cards. The credit lines bore average interest of 5.18% in 2024 (4.69% in 2023). In addition, the Company has a foreign trade financing line with a limit of €2,000 thousand, against which no amount was drawn down as of 31 December 2024 and 2023.

20.3 Debt to official authorities

This caption refers to refundable advances received from official authorities for R&D funding, consisting of 10-year loans with a three-year grace period, at zero or below-market interest rates.

The amounts under this item, recognized at amortized cost under "Other non-current financial liabilities", amounted to €8,522 thousand as of 31 December 2024 (€9,647 thousand in 2023).

A total of €1,473 thousand were recognized as current under this heading in 2024 (€2,139 thousand in 2023).

Of the total debt to official authorities, only €3,816 thousand bears interest at rates between 0.06% to 0.643% (in 2023, €4,881 thousand at rates between 0.06% and 0.649%).

The difference between initial fair value and the nominal value is accrued on the basis of market interest rates (Euribor and Spanish government bond yields plus a spread based on the Group's risk).

In 2024, new subsidized loans were obtained for a nominal amount of €414 thousand (€4,858 thousand in 2023), corresponding to an initial fair value of €339 thousand (€3,527 thousand in 2023).

The maturities of the amounts due to official authorities which are recognized at fair value as of 31 December 2024 and 2023 are detailed in Note 10.2.

20.4 Accruals

For signing the license agreement with Jazz Pharmaceuticals in 2019, PharmaMar collected a non-refundable upfront payment of USD 200 million (€181 million) in January 2020. In June of that same year, as a result of the FDA's accelerated approval of Zepzelca, Pharma Mar collected another payment of USD 100 million (€88.5 million) from Jazz Pharmaceuticals.

As indicated in Note 4.14.2, the revenue associated with licensing and co-development agreements and other similar transactions must be matched with the consideration to be provided by the Company. If the Company has a contractual performance obligation, then 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.

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

Long-term accruals

As of 31 December 2024, the balance of non-current accruals amounted to €15,893 thousand (€19,866 thousand in 2023) and relates entirely to the Jazz Pharmaceuticals agreement.

Short-term accruals

As of 31 December 2024, this item contains €3,973 thousand (€24,926 thousand in 2023) and, in both years, relates mainly to the amounts under the aforementioned agreement with Jazz Pharmaceuticals that are expected to be recognized as revenue in the next twelve months.

20.5 Due to Group undertakings

The detail of accounts payable to related parties is as follows:

(thousand euro)	31/12/24	31/12/23
Current financial liabilities		
Corporate income tax payable (Note 24)	1,559	2,074
VAT payable (Note 24)	1,203	1,455
	2,762	3,529

The balances with Group undertakings under current financial assets and liabilities in 2024 consist mainly of those arising between the Company and its subsidiaries as a result of tax consolidation — both corporate income tax and value added tax (Note 24).

20.6 Information on deferral of payments to suppliers

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:

	2024	2023
Average time taken to pay suppliers (days)	59	57
Proportion of transactions paid (days)	61	59
Proportion of transactions outstanding (days)	43	31
Total payments made (thousand euro)	113,728	100,123
Total payments outstanding (thousand euro)	13,350	8,617
Total invoices received (number)	10,839	9,530
Total invoices received (thousand euro)	127,078	108,740
Total invoices paid in less than 60 days (number)	5,987	4,441
Total invoices paid in less than 60 days (thousand euro)	60,950	58,396
Percentage of total number of invoices paid	60.43%	52.89%
Percentage of total amount of invoices paid	53.59%	58.32%
Total invoices paid (number)	9,907	8,397

21. Short-term provisions

The provision recognized in 2024 in the amount of €13,713 thousand (€11,973 thousand in 2023) under the heading "Short-term provisions" relates mainly to outstanding clawbacks in connection with the distribution of products under the "Autorisation d'accès compassionnel (AAC)" compassionate use system in France. Those

outstanding clawbacks are applied on a sliding scale based on the amounts invoiced under the AAC system. Of the €11,973 thousand in provisions recognized in 2023, €11,673 thousand were utilized in 2024. In 2024, €14,401 thousand in provisions were recognized.

Zepzelca is currently covered by this system, under the very early access compassionate use system ("Autorisation d'accès compassionnel très précoce"), and is therefore subject to this new regulation. Once the product is approved by the European Commission and, therefore authorized for marketing in France, that regulation will no longer apply.

22. DEFERRED TAXES

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

(thousand euro)	31/12/24	31/12/23
Deferred tax assets	36,058	29,450
Temporary differences (Note 24)	132	591
Tax credits (Note 24)	25,808	18,742
Tax withholdings receivable	10,118	10,117
DEFERRED TAX LIABILITIES	428	707
Temporary differences	428	707
DEFERRED TAXES (NET)	35,630	28,743

The "Tax withholdings receivable" account as of 31 December 2024 and 2023 includes taxes withheld from royalties and payments received from the Johnson & Johnson Group by virtue of the agreements signed in 2001 and 2011, and from Taiho Pharmaceutical Co. Ltd. and Chugai Pharmaceutical Co., among others.

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

Deferred tax assets				
(thousand euro)	Tax losses and tax credits	Temporary differences	Withholdings	TOTAL
Balance as of 31 December 2022	11,323	1,062	10,117	22,502
Receipts	(3,980)	-	-	(3,980)
Charge (credit) to profit or loss	11,398	(471)	-	10,927
Balance as of 31 December 2023	18,742	591	10,117	29,450
Monetization receipts	(9,345)	-	-	(9,345)
Charge (credit) to profit or loss	16,411	(459)	-	15,952
Balance as of 31 December 2024	25,808	132	10,117	36,058

DEFERRED TAX LIABILITIES			
(thousand euro)	Subsidies, donations and legacies received	Capitalized financial expenses	TOTAL
Balance as of 31 December 2022	322	523	845
Charge (credit) to profit or loss	-	(337)	(337)
Charge to equity	200	(1)	199
Balance as of 31 December 2023	522	185	707
Charge (credit) to profit or loss	-	(181)	(181)
Charge to equity	(98)	-	(98)
Balance as of 31 December 2024	424	4	428

Deferred taxes charged to equity in the year are as follows:

(thousand euro)	31/12/24	31/12/23
Subsidies, donations and legacies received	(98)	200
TOTAL	(98)	200

Deferred tax assets due to tax losses carried forward and unused tax credits are recognized to the extent that the Company is likely to obtain future taxable income enabling them to be offset, in accordance with the five-year budget presented to the Board of Directors.

23. REVENUES AND EXPENSES

23.1 Net revenues

The net amount of revenues is broken down as follows:

(thousand euro)	31/12/24	31/12/23
Product sales	125,553	122,213
Product sales discount	-59,164	-55,153
	66,389	67,060
Royalty revenues	61,347	52,178
Licensing agreement revenues	46,518	33,590
Services provided	727	876
TOTAL	174,981	153,704

Point of recognition of revenues	31/12/24	31/12/23
At a point in time	151,055	129,806
Over a period of time	23,926	23,898
Total revenues from contracts with customers	174,981	153,705

23.1.1 Revenue from the sale of products

The "Revenue from the sale of products" caption includes:

- Commercial sales of Yondelis for treating soft tissue sarcoma and relapsed ovarian cancer, made by PharmaMar in the European Union (€16,913 thousand in 2024 and €21,626 thousand in 2023).
- Sales of intermediates or raw materials of Yondelis and Zepzelca to partners (€20,028 thousand in 2024 compared with €14,898 thousand in 2023).
- Sales of Zepzelca in certain European countries: i) mainly in France under the AAC compassionate use program (Autorisation d'Accès Compassionnel), amounting to €29,448 thousand (€30,536 thousand in 2023).

23.1.2 Royalties

Royalties on sales of Yondelis:

As of 31 December 2024, royalties for Yondelis sales by Janssen Products Lp. ("Janssen") in the US amounted to €4,476 thousand (€3,069 thousand in 2023).

As of 31 December 2024, royalties for Yondelis sales in Japan by Taiho Pharmaceutical, Ltd. amounted to €719 thousand (€741 thousand in 2023).

Royalties on Zepzelca sales:

As of 31 December 2024, royalties for Zepzelca sales in the United States by Jazz Pharmaceuticals ("Jazz") amounted to €55,789 thousand (€48,368 thousand in 2023).

As of 31 December 2024, royalties for Zepzelca sales in China by Luye amounted to €363 thousand.

23.1.3 Licensing revenues

The Company has licensing and development agreements with a number of pharmaceutical companies. Revenues from these agreements amounted to €46,518 thousand in 2024, compared with €33,590 thousand in 2023.

Revenues under licensing agreements in 2024 and 2023 are as follows:

(thousand euro)	31/12/24	31/12/23
Jazz Pharmaceuticals (Zepzelca)	22,962	23,050
Janssen Products LP (Yondelis)	17,934	9,442
Luye Pharma (Zepzelca™)	4,409	-
Lotus (Zepzelca)	407	293
Adium (Zepzelca)	250	250
STA (Zepzelca)	116	115
Boryung (Zepzelca)	440	440
TOTAL	46,518	33,590

The licensing agreements for PharmaMar's compounds, their respective terms and conditions, their economic terms and the revenues received under them are described below.

Yondelis (trabectedin)

Janssen Products LP

In 2001, the Company signed a licensing and 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 (€3,069 thousand in 2023).

In 2024 Pharma Mar, S.A. received two payments from Janssen — USD 9,442 thousand (€8,715 thousand) in August, and USD 10,000 thousand (€9,219 thousand) in November — on attaining a commercial milestone under the licensing agreement for Yondelis in the United States (USD 10,000 thousand, €9,442 thousand 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 in 2019 and 2020, PharmaMar has entered into several 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 (€6,941 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 Company 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).

Zepzelca (lurbinectedin)

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 (lurbinectedin) 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 Zepzelca, 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 (lurbinectedin) received conditional approval from 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).

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

An addendum to the lurbinectedin license agreement for the United States with Jazz Pharmaceuticals Ireland Limited was signed in October 2020 in order to grant Jazz an exclusive license to market lurbinectedin in Canada. PharmaMar collected an upfront payment of USD 1,000 thousand (€848 thousand) for signing this addendum. USD 1,000 thousand (€848 thousand) were collected under this agreement in 2021 for the approval in Canada.

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, the Company announced that its partner Luye Pharma Group had 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 metastatic small-cell lung cancer that had experienced progression during or after platinum-based chemotherapy. PharmaMar received USD 5,000 thousand (€4,409 thousand) in connection with this approval.

Specialised Therapeutics Asia Pte, Ltd (STA)

In May 2017, PharmaMar signed a licensing agreement with Singapore-based Specialised Therapeutics Asia Pte, Ltd (STA) for commercialization of Zepzelca (lurbinectedin).

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 Co.

In November 2017, a licensing agreement was signed with Boryung Pharmaceutical Co. to market Zepzelca (lurbinectedin) in South Korea. PharmaMar collected €1,000 thousand upon signature, and subsequently received regulatory milestone payments of €300 thousand in 2019 and €450 thousand in 2020.

In September 2022, Boryung Pharmaceutical Co. received conditional approval from the South Korean Ministry of Food and Drug Safety (MFDS) to market Zepzelca. As a result of this milestone, PharmaMar collected €1,000 thousand, for which the Company recognized revenue of €440 thousand as of 31 December 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 licensing agreement with Megapharm Ltd for the commercialization of Zepzelca in Israel and the Palestinian territories.

23.2 Breakdown of revenues by geography

The amount of net revenues is broken down by geography as follows:

(thousand euro)	31/12/24	31/12/23
Spain	3,708	5,891
European Union	116,032	121,192
United States	22,410	12,510
Japan	2,214	741
Other OECD countries	15,367	5,375
Other countries	15,250	7,995
TOTAL	174,981	153,705

Revenues in the European Union include milestone and royalty payments from Jazz Pharmaceuticals that are billed through a company domiciled in Ireland.

In Other OECD countries, the largest increase corresponds to Switzerland, which presented revenues of €9,743 thousand in 2024 (€3,093 thousand in 2023).

In 2024, the caption "Other countries" increased mainly due to revenues income from China and Uruguay.

23.3 Foreign currency transactions

The detail of foreign currency transactions, mainly in US dollar, is as follows:

(thousand euro)	31/12/24	31/12/23
Licensing revenues	105,685	84,669
Sales	9,962	2,285
Purchases and services received	5,723	6,147
TOTAL	121,371	93,101

23.4 Merchandise, raw materials and other consumables consumed

(thousand euro)	31/12/24	31/12/23
Purchased in Spain	2,916	3,590
Purchased in other EU countries	1,584	1,740
Imports	-	129
Change in inventories	363	(568)
TOTAL	4,863	4,891

23.5 Personnel expenses

(thousand euro)	31/12/24	31/12/23
Wages, salaries and similar	38,359	34,259
Indemnities	1,145	188
Employee welfare expenses		
Employer social security	6,155	5,814
Other welfare expenses	1,660	1,623
TOTAL	47,319	41,885

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

NUMBER IN CATEGORY	31/12/24		31/12/23	
	MEN	WOMEN	MEN	WOMEN
Executive directors	2	-	2	-
Senior managers	4	4	4	4
Management	6	8	7	8
Middle management	36	38	36	38
Technical staff	92	131	93	137
Clerical and similar staff	6	49	5	51
Other	11	6	12	6
TOTAL	157	236	159	244
	393		403	

The breakdown of the Company's workforce by category and gender at year-end was as follows:

NUMBER IN CATEGORY	31/12/24		31/12/23	
	MEN	WOMEN	MEN	WOMEN
Executive directors	2	-	2	-
Senior managers	4	4	4	4
Management	6	8	7	8
Middle management	35	36	37	39
Technical staff	90	129	93	140
Clerical and similar staff	6	47	5	52
Other	10	5	10	6
TOTAL	153	229	158	249
	382		407	

There were an average of 4 employees during the year with disability of 33% or greater: 1 clerical assistant and 3 technicians (4 in 2023: 1 clerical assistant and 3 technicians).

23.6 Outside services

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

(thousand euro)	31/12/24	31/12/23
Research & Development expenses	53,052	41,147
Leases and fees	2,440	2,381
Repairs and upkeep	2,832	2,795
Independent professional services	8,478	9,333
Transport	1,243	1,842
Insurance premiums	1,484	1,467
Advertising and public relations	15,081	14,357
Utilities	808	863
Other services	7,218	7,234
Other taxes	363	807
Losses, impairment and changes in trade provisions	183	-
TOTAL	93,182	82,226

23.7 Impairment losses and income from disposal of assets. etc.

As indicated in Note 7.1, in 2024, based on an external appraisal, the Company partially reversed impairment of a plot of land in Colmenar Viejo in the amount of €284 thousand (reversal of €121 thousand in 2023).

Likewise, mainly laboratory equipment and furniture was derecognized in 2024 for an amount of €42 thousand (€6 thousand in 2023).

24. INCOME TAX AND TAX SITUATION

The balances with public authorities as of 31 December 2024 and 2023 are as follows:

(thousand euro)	2024		2023	
	Payable	Receivable	Payable	Receivable
Income tax	3,025	-	13,439	182
Advance tax revenues under audit	536	-	558	-
Total current tax revenues	3,560	(0)	13,997	182
Personal income tax	-	1,016	-	633
Social security	-	685	-	591
VAT	2,370	-	3,971	-
Other receivables from public authorities	2,370	1,701	3,971	1,224

In 2024, the Company filed corporate income tax returns on a consolidated basis. The following companies are included in the group's consolidated tax return: Pharma Mar, S.A. and Sylentis, S.A.U.

Because certain transactions are treated differently for corporate income tax purposes and in the preparation of these financial statements, the taxable base for the year differs from the book result. The deferred or prepaid taxes arise from the recognition of revenues and expenses in different periods under current tax regulations and for the purpose of preparing the financial statements.

The reconciliation of net revenues and expenses in 2024 and 2023 to the income tax base is as follows:

2024		
(thousand euro)	Income Statements	
	Increase	Decrease
BALANCE OF REVENUES AND EXPENSES IN THE YEAR	40,225	-
Corporate income tax	-	(16,649)
Permanent differences	7,238	(65,164)
Temporary differences:		
Arising in the year	243	-
Arising in prior years	723	(2,079)
TAX BASE	-	(35,463)
TAXABLE INCOME	-	(35,463)

2023		
(thousand euro)	Income Statements	
	Increase	Decrease
BALANCE OF REVENUES AND EXPENSES IN THE YEAR	-	(13,557)
Corporate income tax	-	(11,103)
Permanent differences	39,723	(43,189)
Temporary differences:		
Arising in the year	294	(458)
Arising in prior years	1,807	(2,178)
TAX BASE	-	(28,661)
TAXABLE INCOME	-	(28,661)

The corporate income tax expense at year-end is as follows:

(thousand euro)	31/12/24	31/12/23
Current tax	-	-
Deferred taxes due to capitalized tax losses	4,084	6,468
Deferred tax assets due to capitalized tax credits	7,370	-
Other	515	(162)
Monetization	4,680	4,797
TOTAL TAX (REVENUE)/EXPENSE	16,649	11,103

In 2024, the company recognized €4,680 thousand in revenue as a result of monetizing eligible research and development tax credits.

Since 2009, the Company has availed itself of article 23 of the Corporate Income Tax Act, which provides an exemption for revenues from the assignment of rights to use or exploit patents, drawings, models, plans, or secret formulas or procedures, and rights on information relating to industrial, commercial or scientific experience.

The decrease in permanent differences in 2024 relates mainly to the application of Article 23 of the Consolidated Text of the Corporate Income Tax Law in connection with revenue from the assignment of certain intangible assets created by the company, amounting to €47,250 thousand (€42,851 thousand in 2023), and the €17,630 thousand corresponding to the liquidation of Genómica, net of losses offset previously within the tax group.

The increase in permanent differences in 2024 relates mainly to the impairment of the company's interest in Sylentis, S.A.U. in the amount of €5,910 thousand (2023: impairments of €37,301 thousand in respect of Sylentis and €1,500 thousand in respect of Genómica).

In 2024, the temporary differences are due mainly to reversal of amortization taken in previous years that was not tax deductible, in the amount of €1,781 thousand (€1,781 thousand in 2023).

As of 31 December 2024, the tax credits earned by the Company that are available for use in future years, after deducting the tax losses used by other group undertakings, are as follows:

Years	(thousand euro)			
	Taxable income as of 31/12/23	Used in 2024	Earned in 2024	Unused as of 31/12/24
2007	9,465	-	-	9,465
2008	7,317	-	-	7,317
2010	2,245	-	-	2,245
2011	3,691	-	-	3,691
2012	24,835	-	-	24,835
2015	39,798	-	-	39,798
2016	6,193	-	-	6,193
2017	39,723	-	-	39,723
2018	112,777	-	-	112,777
2019	11,000	-	-	11,000
2020	44,452	-	-	44,452
2023	28,661	-	-	28,661
2024	-	-	35,463	35,463
TOTAL	330,158	-	35,463	365,621

As of 31 December 2024, the Company recognized a tax credit for the amount of €13,758 thousand corresponding to tax losses that had not been capitalized.

As of 31 December 2024, the unused tax credits earned by the Company, mainly for R&D, were as follows:

(thousand euro)							
Year earned	Amount of credit as of 31/12/23	Used in previous years	Used in 2024	Earned in 2024	Unused as of 31/12/24	Expiring in	
2006	10,251	-	-	-	10,251	2,024	
2007	9,477	-	-	-	9,477	2,025	
2008	10,059	-	-	-	10,059	2,026	
2009	8,625	-	-	-	8,625	2,027	
2010	8,211	-	-	-	8,211	2,028	
2011	7,980	-	-	-	7,980	2,029	
2012	6,915	-	-	-	6,915	2,030	
2013	9,076	-	-	-	9,076	2,031	
2014	11,403	(3,866)	-	-	7,537	2,032	
2015	13,827	(4,247)	-	-	9,580	2,033	
2016	19,213	(6,250)	-	-	12,963	2,034	
2017	16,559	(6,042)	-	-	10,517	2,035	
2018	14,197	(5,839)	-	-	8,358	2,036	
2019	10,800	(4,129)	-	-	6,671	2,037	
2020	12,288	(4,974)	-	-	7,314	2,038	
2021	12,892	(5,684)	-	-	7,208	2,039	
2022	16,874	-	(5,997)	-	10,877	2,040	
2023	21,435	-	(5,850)	-	15,584	2,041	
2024	-	-	-	24,049	24,049	2,042	
TOTAL	220,082	(41,031)	(11,847)	24,049	191,252		

As of 31 December 2024, the Company recognized €7,370 thousand of unused tax credits, and monetization of tax credits for the amount of €4,680 thousand.

The "Used in previous years" and "Used in 2024" columns relate entirely to the amounts used to secure monetization of the research and development tax credits.

The Company's balances with the other companies in the tax group in respect of corporate income tax and VAT as a result of tax consolidation are as follows:

(thousand euro)	Corporate income tax
Genómica	-
Sylentis	1,559
TOTAL PAYABLE	1,559

(thousand euro)	VAT
Sylentis	1,203
TOTAL PAYABLE	1,203

In 2015, PharmaMar applied to the Spanish tax authorities for inclusion in the special tax regime for Value Added Tax Groups as the leading company.

As of 31 December 2024, that VAT tax group was comprised of Pharma Mar, S.A., as leading company, together with Sylentis, S.A.U., since the Company considered that both controlling company and controlled company met the requirements of articles 163 quinquies and 163 sexies of the Value Added Tax Act and their Boards of Directors or equivalent governing bodies had approved the proposal to create a group under the Special VAT Group regime provided by Act 38/2006, using the "simple aggregation system".

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).

As a result, inter alia, of possible differing interpretations of the current tax legislation, additional liabilities might arise as a result of a tax audit. However, the Company's directors consider that such liabilities, if any, would not materially affect the financial statements.

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 revenues from certain intangible assets reported by PharmaMar. On 20 January 2015, the Company applied to the 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 entities.

	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 Zeltia, 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.

25. FINANCIAL INCOME

Financial income is detailed in the following table:

(thousand euro)	31/12/24	31/12/23
Financial revenues	6,843	4,684
Marketable securities and other equity instruments	6,843	4,684
Group and associated undertakings (Note 30.2)	1,178	583
Third parties (Note 15)	5,665	4,101
Financial expenses	(2,153)	(1,994)
On debts to third parties	(2,153)	(1,994)
Exchange differences	2,456	(1,684)
IMPAIRMENT AND INCOME FROM DISPOSAL OF FINANCIAL INSTRUMENTS	(5,536)	(38,584)
Impairment of group undertakings	(5,886)	(38,584)
Income from disposals and other	350	-
FINANCIAL INCOME	1,610	(37,578)

Financial revenues from marketable securities and other equity instruments arise basically from interest received from third parties on financial assets (Note 15) and loans granted to Group undertakings.

In 2024 and 2023, most of the exchange differences were due to marking the Company's deposit in dollars to market at year-end.

Impairment of group undertakings: shows the impairment of Sylentis to adjust the value of the investment to the recoverable value of the investee (€5,910 thousand recognized in 2024 and €37,301 thousand in 2023). The valuation method used is described in Note 11.3.1. This section also includes the reversal of the impairment of Genómica.

Income from disposals and other: reflects the loss of the total investment in Genómica, S.A.U. en liquidación, after this company's liquidation was formalised in December 2024. This transaction amounted to €350 thousand.

26. 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 2023, 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.

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 Company.

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.

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 Company 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 Company.

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

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 Company 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, a total of 6,784 shares were released.

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 Company.

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

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 Company 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 Company.

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

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:

	Shares awarded under 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
(thousand euro)	(1)+(2)+(3)+(4) +(5)+(6)	(1)	(2)	(3)	(4)	(5)	(6)	(3)+(6)		
Plan / Grant date										
Plan 19 June 2020 (Granted April 2021)	8,026	475	3,538	-	1,075	2,938	-	-	103.02	Mar. 24
Plan 20 April 2021 (Granted May 2022)	8,244	428	3,694	-	654	-	3,468	3,468	71.59	May 25
Plan 21 June 2022 (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).

27. CONTINGENCIES

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 the years 2010, 2011, 2012 and 2013 concluded 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 that are in dispute (Note 24). 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 would arise or that the amount of recognized assets might be reduced such as to have a material effect on these consolidated financial statements.

28. COMMITMENTS

28.1 Purchase and sale commitments

The Company does not have any purchase or sale commitments.

28.2 Operating lease commitments

The minimum future payments for non-cancelable operating leases as of 31 December 2024 and 2023 are detailed in Note 9.

28.3 Share-based incentive plans

- Under the twentieth plan (April 2021) for delivery of shares free of charge, of the shares delivered and under lock-up as of 31 December 2024, 3,468 shares will be released in May 2025.

- Under the twenty-first plan (June 2022) for delivery of shares free of charge, of the shares delivered and under lock-up as of 31 December 2024, 6,737 shares will be released in May 2026.

- Under the twenty-second plan (May 2023) for delivery of shares free of charge, of the shares delivered and under lock-up as of 31 December 2024, 17,566 shares will be released in two tranches: 8,783 shares in October 2025 and 8,783 shares in April 2027.

28.4 Other commitments

The Company has arranged a credit line for the amount of €500 thousand in which, in addition to the Company, Pharma Mar USA also appears as borrower. Under that credit line, PharmaMar is jointly and severally liable for the full amounts drawn down by them, including those drawn by PharmaMar USA.

29. DIRECTOR AND SENIOR MANAGEMENT REMUNERATION

29.1 Director remuneration

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

(thousand euro)	31/12/24	31/12/23
Fixed remuneration for executive directors	1,642	1,507
Variable remuneration for executive directors	1,295	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	5,363	5,193

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.

29.2 Senior management remuneration and loans

Company senior management received aggregate total remuneration of €3,311 in 2024 (€2,867 thousand in 2023).

29.3 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 the Company amounting to €13 thousand (€14 thousand in 2023).

29.4 Directors' duty of loyalty

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 situations of conflict of interest as envisaged in article 229 of the Consolidated Text of the Capital Companies Act, except where they were authorized by the Company's Board of Directors or its Committees (see Note 29.3 Companies related to the directors and executives and their close relatives).

30. OTHER TRANSACTIONS WITH RELATED PARTIES

30.1 Balances with group companies

The detail of accounts payable to and receivable from group undertakings as of 31 December 2024 and 2023 is as follows:

(thousand euro) 2024	Non-current assets	Current assets	Current liabilities
Loans and other financial assets/liabilities	4,314	96	2,762
Sylentis, S.A.U.	4,314	96	2,762
Trade accounts receivable/payable	-	1,202	5,493
Pharma Mar, USA	-	-	119
Pharma Mar, Srl	-	6	1,721
Pharma Mar, GmbH	-	231	1,175
Pharma Mar, Sarl	-	182	1,594
Pharma Mar, Srl (Belgium)	-	65	211
Pharma Mar, Ges.m.b.H.	-	245	354
PharmaMar, AG	-	473	319
TOTAL	4,314	1,298	8,255

(thousand euro) 2023	Non-current assets	Current assets	Current liabilities
Loans and other financial assets/liabilities	31,130	639	3,528
Genómica, S.A.U.	-	-	515
Sylentis, S.A.U.	31,130	639	3,013
Trade accounts receivable/payable	-	1,833	4,734
Pharma Mar, USA	-	-	236
Pharma Mar, Srl	-	-	938
Pharma Mar, GmbH	-	364	1,198
Pharma Mar, Sarl	-	305	1,706
Pharma Mar, Srl (Belgium)	-	99	203
Pharma Mar, Ges.m.b.H.	-	258	337
PharmaMar, AG	-	805	114
Sylentis, S.A.U.	-	2	-
TOTAL	31,130	2,472	8,262

Under non-current assets, loans and other financial assets refer to loans granted by the Company to its subsidiary Sylentis.

Current assets consist principally of accounts receivable (€1,202 thousand as of 31 December 2024 and €1,833 thousand as of 31 December 2023), i.e. the amount yet to be received for the sale of PharmaMar products to subsidiaries operating under the distribution model.

Current liabilities with Group undertakings in 2024 are broken down in the table:

(thousand euro)		Services delivered	TOTAL
2024	Taxes		
Sylentis, S.A.U.	2,762	-	2,762
Pharma Mar USA	-	119	119
PharmaMar, AG	-	319	319
Pharma Mar, Srl	-	1,721	1,721
PharmaMar, GmbH	-	1,175	1,175
Pharma Mar, Sarl	-	1,594	1,594
Pharma Mar, Srl (Belgium)	-	211	211
Pharma Mar, Ges.m.b.H.	-	354	354
TOTAL	2,762	5,493	8,255

Taxes due are debts owed by the parent company to its subsidiaries as a result of tax consolidation of both corporate income tax and value added tax. In both cases, the amounts outstanding with the tax administration are recognized at PharmaMar, the head of the group, which also recognizes the account payable to its subsidiaries. Specifically, (€1,559 thousand) relate to corporate income tax and €1,203 thousand to VAT pending recovery in connection with 2024.

30.2 Transactions with Group undertakings

The amounts of the Company's transactions with Group undertakings as of 31 December 2024 and 2023 are as follows:

TRANSACTIONS WITH GROUP UNDERTAKINGS		
EXPENSES	2024	2023
(thousand euro)		
Services received		
Pharma Mar, GmbH	3,087	3,033
Pharma Mar, USA	483	444
PharmaMar, AG	467	341
Pharma Mar, Sarl	2,557	2,421
Pharma Mar, Srl	2,751	2,162
Pharma Mar, Srl (Belgium)	822	899
Pharma Mar, Ges.m.b.H.	1,027	939
Total expenses	11,194	10,239

TRANSACTIONS WITH GROUP UNDERTAKINGS		
REVENUES	2024	2023
(thousand euro)		
Sales		
PharmaMar, AG	9,962	3,093
Pharma Mar, Srl	1,441	1,920
Pharma Mar, GmbH	2,041	2,933
Pharma Mar, Sarl	1,181	1,518
Pharma Mar, Srl (Belgium)	273	424
Pharma Mar, GesmbH	699	1,265
Services provided		
Genómica, S.A.U.	-	7
Sylentis, S.A.U.	77	29
Pharma Mar, Srl	106	142
Pharma Mar, GmbH	277	266
PharmaMar, AG	3	3
Pharma Mar, Srl (Belgium)	115	78
Pharma Mar, Sarl	171	209
Pharma Mar, GesmbH	110	160
Financing		
Sylentis, S.A.U.	1,178	583
Total revenues	17,635	12,630

The transactions with Group undertakings were conducted on an arm's-length basis.

31. SURETIES AND GUARANTEES

The sureties and guarantees provided by banks for subsidies and advances received by the Company from public authorities amounted to €3,026 thousand as of 31 December 2024 (€3,348 thousand in 2023). €224 thousand relate to guarantees that had to be presented for Yondelis distribution tenders.

32. ENVIRONMENT

In 2024, with the aim of reducing greenhouse gas emissions and promoting the self-supply of electricity, the Company invested €85 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 €88 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.

33. AUDITORS' FEES

The fees accrued by KPMG AUDITORES, S.L. and other firms in its network amounted to €385 thousand in 2024 for the statutory audit of Pharma Mar, S.A. and dependent companies (€438 thousand accrued by PricewaterhouseCoopers Auditores, S.L. as of 31 December 2023). Fees for other non-audit services amounted to €65 thousand in 2024 (€48 thousand accrued by PricewaterhouseCoopers Auditores, S.L. in 2023). Fees for other non-audit services amounted to €35 thousand in 2024.

34. 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.

1. COMPANY SITUATION

1.1 Organizational structure

The main activity of Pharma Mar, S.A. (the "Company" or "PharmaMar") is research, development and commercialization of bio-active principles, particularly those of marine origin, for application in human medicine, especially in the antitumor field, as well as management, support and development of its investee, Sylentis, S.A.U., in the RNA interference field. On 27 September 2023, the Board of Directors of PharmaMar decided to discontinue the Diagnostics business, which was conducted through its wholly-owned subsidiary Genómica, S.A.U., and to commence the process for dissolving and liquidating that company. 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 the same date by the Sole Liquidator, was filed for registration with the Madrid Mercantile Register on 23 December 2024, and was registered on 8 January 2025.

The Board of Directors of the Pharma Mar, S.A. 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

PharmaMar's main business is the development and marketing of antitumor drugs of marine origin.

The oncology business model focuses on discovering new marine-based antitumor molecules and developing them in preclinical and clinical trials with a view to producing new drugs with therapeutic advantages for oncology patients. PharmaMar'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.

One of the distinguishing factors of the oncology business model is the capacity to discover new molecules for the pipeline, thereby generating opportunities to develop new drugs for the Company. The Company 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 network covering Europe. This network not only enables the Company to sell its products directly in the EU, but also provides scope to leverage future opportunities to sell third-party products.

PharmaMar invests heavily in R&D and innovation in oncology and it is firmly committed to R&D to bring new drugs to market.

PharmaMar sees its strengths as being:

- A unique, integrated technology platform based on marine organisms which has led to approval to market three of its molecules in many markets around the world — trabectedin, lurbinectedin and plitidepsin — and provides it with new candidates in earlier stages of clinical development with the objective of obtaining future approvals.
- Compounds already approved for certain antitumor indications have the potential to be approved for other indications.
- A well-established commercial structure in Europe that is focused on oncology and has the capacity to expand its portfolio with new products.
- Generation of revenues in the oncology business from direct sales of proprietary products.
- Out-licensing agreements in advantageous conditions for several of its compounds that have been signed and are in force, producing sizeable revenues.

- A library of samples of marine organisms that can be tested for therapeutic applications other than oncology, as has been shown in the case of virology.
- A robust financial position to fund its projects.
- The Company'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.

The key components of PharmaMar's strategy are:

- Continue the clinical development of lurbinectedin in both small cell lung cancer and new indications to expand its 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 recently been added to the oncology pipeline.
- 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 the Company's revenues.
- Maximize the commercial value of lurbinectedin in markets outside the US and Europe through partnerships with third parties.

2. Business performance and results

2.1. Total revenues

Net sales amounted to €66,389 thousand, consisting almost entirely of sales of Yondelis (€16,913 thousand) and in 2024 also included sales of the active ingredients of Yondelis and Zepzelca to our partners in the amount of €20,028 thousand, as well as sales of Zepzelca in certain European countries, mainly under the Compassionate Use program (AAC) in France, for a total amount of €29,448 thousand. Net sales amounted to €67,060 thousand in 2023.

Royalties relate mainly to sales of Zepzelca by our partner Jazz Pharmaceuticals in the United States (€55,789 thousand in 2024 and 48,368 thousand in 2023). Luye generated €363 thousand in royalty revenues as of December 31 2024. PharmaMar also collected royalties amounting to €5,196 thousand from Janssen Products and Taiho Pharmaceutical Co for sales of Yondelis (€3,810 thousand in 2023).

Revenues from licensing and other development agreements amounted to €46,518 thousand in 2024 (€33,590 thousand in 2023). This revenue in 2024 was principally from the recognition of €22,962 thousand in revenue out of the USD 300,000 thousand collected in 2020 under the Zepzelca licensing agreement with Jazz Pharmaceuticals, which is being recognized in the income statement as a function of the fulfilment of contractual commitments. The Company also received two payments from Janssen that correspond to revenue of USD 9,442 thousand (€8,715 thousand) and USD 10,000 thousand (€9,219 thousand) as a result of attaining a commercial milestone set out in the 2021 licensing and co-development agreement with Janssen (Johnson&Johnson).

2.2. International revenues

Out of total 2024 revenues, 98%, i.e. €171,275 thousand, came from sales and transactions in other countries (96%, €147,813 million in 2023).

2.3. Gross margin

The gross margin was 66% of total revenues as of 31 December 2024 (62% in 2023) (*).

(*) Calculated with respect to sales only, not including royalties or licensing revenues.

2.4. R&D expenditure

R&D expenditure increased by 13%, from €83,633 thousand in December 2023 to €94,428 thousand 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.

2.5. Operating expenses

The breakdown of operating expenses is shown in the next table:

(thousand euro)	31/12/24	31/12/23	Change
Staff expenses	47,319	41,886	13.0%
Outside services	92,636	81,419	13.8%
Purchases	22,942	25,824	-11.2%
Taxes other than income tax	363	807	-55.0%
Depreciation	3,599	3,305	8.9%
Bad debts	183	-	
Fixed asset impairment	(284)	(128)	
Fixed asset derecognition	(720)	1	
	166,038	153,114	

Outside services increased mainly as a result of greater activity in clinical trials.

2.6. Profit or loss for the year

The Company reported a profit after tax of €40,225 thousand in 2024 (a loss of €13,557 thousand in 2023). This variation between years is a consequence of the increase in revenues from licensing agreements and royalty revenues.

2.7. Other events that impacted the 2024 financial statements

As for **lurbinctedin (Zepzelca)**, the events of 2024 can be grouped under the following headings:

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® (lurbinctedin) 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:

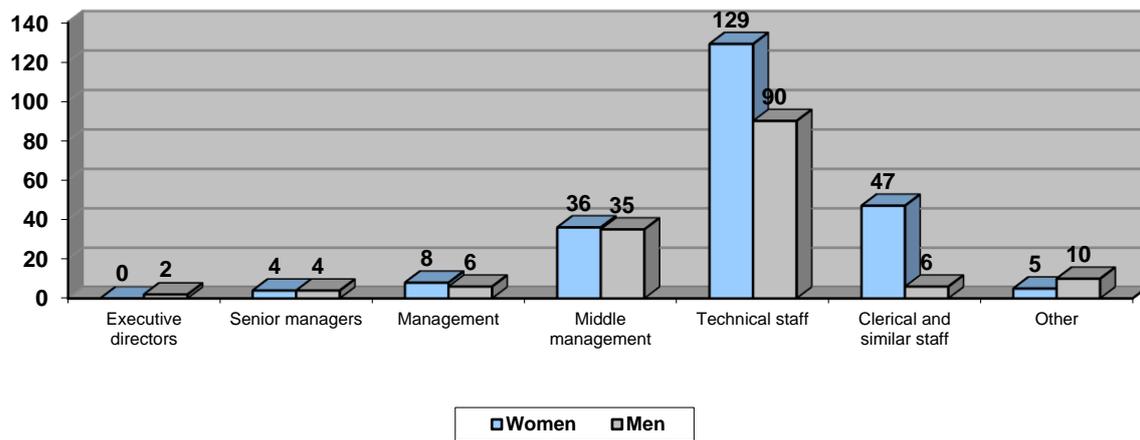
- Pharma Mar, S.A. and its partner Jazz Pharmaceuticals plc have announced positive, statistically significant overall survival and progression-free survival results for Zepzelca (lurbinectedin) in combination with atezolizumab for first-line maintenance treatment of small cell lung cancer. PharmaMar 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 of 705 patients.

2.8. Personnel

PharmaMar had 382 employees as of 31 December 2024 (407 in 2023).

Women account for 60% of the workforce (61% in 2023).

The graph below illustrates segmentation by gender and category:



2.9. 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'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 energy 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 energy 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 energy 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.

2.10. Average period taken to pay suppliers

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

	2024	2023
Average time taken to pay suppliers (days)	59	57
Proportion of transactions paid (days)	61	59
Proportion of transactions outstanding (days)	43	31
Total payments made (thousand euro)	113,728	100,123
Total payments outstanding (thousand euro)	13,350	8,617
Total invoices received (number)	10,839	9,530
Total invoices received (thousand euro)	127,078	108,740
Total invoices paid in less than 60 days (number)	5,987	4,441
Total invoices paid in less than 60 days (thousand euro)	60,950	58,396
Percentage of total number of invoices paid	60.43%	52.89%
Percentage of total amount of invoices paid	53.59%	58.32%
Total invoices paid (number)	9,907	8,397

The average supplier payment lag in the year between 1 January and 31 December 2024 was 59 days (57 days in 2023).

3. LIQUIDITY AND CAPITAL

The balance of "cash + cash equivalents" amounted to €57,473 thousand as of 31 December 2024 (€50,779 thousand in 2023).

The "Current financial investments" caption, which amounts to €90,697 thousand (€102,169 thousand in 2023), mainly includes term deposits of €79,831 thousand maturing between 22 January and 31 March 2025 (€65,645 thousand in 2023, maturing between 9 January and 13 May 2024). In 2023, this caption also includes US dollar deposits amounting to €13,810 thousand maturing between 15 and 22 February 2024; and portfolio investments with various entities amounting to €22,714 thousand comprising government and corporate fixed-income securities.

Current debt amounts to €8,736 thousand (€10,465 thousand in 2023) and non-current debt to €39,469 thousand (€26,146 thousand in 2023).

PharmaMar had a net cash balance of €102,327 thousand as of 31 December 2024.

In 2024, the Company arranged a new €15,000 thousand bank loan.

As of 31 December 2024, the limit of the credit lines is €19,000 thousand (€14,000 thousand in 2023), against which the Company had drawn €4,703 thousand (€6,516 thousand in 2023) including credit cards. The credit lines bore average interest of 5.18% in 2024 (4.69% in 2023). In addition, the Company has a foreign trade financing line with a limit of €2,000 thousand, against which no amount was drawn down as of 31 December 2024 and 2023.

As of 31 December 2024, the Company had €14,367 thousand available in credit lines.

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

The directors estimate that R&D expenditure in 2025 will be higher than in 2024 but that the other operating expenses will not increase significantly.

4. MAIN RISKS AND UNCERTAINTIES

4.1. Situation risks

Competition.

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

PharmaMar'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 PharmaMar. 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 of up to five years 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.

PharmaMar 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, we also actively pursue protection for new formulations, production processes, medical applications and even new methods of drug administration.

PharmaMar 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. The Company also exercise vigilance 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 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, PharmaMar 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 makes significant R&D investments 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.

PharmaMar 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.

It 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 Company's Board of Directors or executives is detrimental to their interests as a shareholder and file a complaint.

PharmaMar has director and executive liability insurance which covers the risk of a shareholder filing a complaint on the grounds that a decision by the Company's Board of Directors or 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.

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

The Company has also arranged casualty and third-party liability insurance.

Pharma Mar, S.A. 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 or property as a result of pollution.

PharmaMar's production processes in general have a very 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.

PharmaMar 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

PharmaMar 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 Company 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 Company's internal information flows poses the risk of misalignment with strategy and of erroneous or mistimed decisions.

Market disclosures

PharmaMar 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 Company 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 Company'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 Law, 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 four 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.

PharmaMar 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.

PharmaMar 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 Company 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

4.4.1. Market risk

Price risk

PharmaMar 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 PharmaMar's operations. PharmaMar'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, at times the Company manages the interest rate risk of its cash flow by means of floating-to-fixed interest rate swaps. 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 and recognized assets and liabilities 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.

4,4.2. 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.

4,4.3. 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 Company's finance 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 risks are inherent to the Company's activity and are 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 Company must comply with a number of tax obligations, both material (i.e. payments) and formal, consisting of filing returns without having to make any payments. The Company tries to identify risks and then minimize them.

The Company 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 Company 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 Company 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.

The Company has not been found guilty of tax evasion.

The PharmaMar Company 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 Company'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.

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. OUTLOOK FOR 2025

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 far 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

R&D and innovation are a key component of PharmaMar's strategy, and this year it spent €94,428 thousand in this area.

The main progress and results in R&D in 2024 are as follows:

Zepzelca (lurbinectedin)

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 2024. 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.

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.

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.

PM534

Enrolment continues on schedule in the Phase I clinical trial for the treatment of patients with different types of solid tumors. The endpoints of this first trial are to find the recommended dose and assess the safety and efficacy profile. The trial will be conducted in Spain in patients with advanced solid tumors.

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 as of 31 December 2023), representing 3.55% of share capital (3.90% in 2023).

The breakdown of, and changes in, own shares in 2024 are as follows:

(thousand euro)	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
TOTAL	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, 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

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
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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 capitalisation 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, Pharma Mar is in an excellent position to continue creating value in the years ahead.



Source: Bloomberg

10. NON-FINANCIAL INFORMATION STATEMENT

Although the company is obliged to present a Consolidated Non-Financial Information Statement and Sustainability Report as it had more than 250 employees at 31 December 2024, it has availed itself of the full exemption on the grounds that the company's information is contained in the 2024 Non-Financial Information Statement and Sustainability Report of the consolidated Group comprising PharmaMar and dependent companies, as it is the controlling company of that Group. The financial statements of PharmaMar and dependent companies are filed with the Madrid Mercantile Register.

The Annual Corporate Governance Report and the Annual Report on Director Remuneration are an integral part of this Directors' Report and may be viewed at www.cnmv.es

FINANCIAL STATEMENTS AND DIRECTORS' REPORT OF PHARMA MAR, S.A. 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 Financial Statements and the Directors' Report for the year ended 31 December 2024, comprising the attached documents that precede this document.

In accordance with the provisions of article 262.5 of the Consolidated Capital Companies Law, Pharma Mar, S.A., as the parent company of the PharmaMar Group, includes the Non-Financial Information Statement and Sustainability Report in the Consolidated Directors' Report of PharmaMar, in accordance with the provisions of Law 11/2018, of 28 December, on non-financial disclosures and diversity.

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 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 Company and that the Directors' Report contains a true and fair analysis of the Company's performance, business results and position, together with a description of the main risks and uncertainties it faces.

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 <i>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.</i>	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. M ^a 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 Financial Statements and Directors' Report of Pharma Mar, S.A. 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 were 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 Financial Statements and the Directors' Report of Pharma Mar, S.A. Which I certify in Madrid on 27 February 2025.

Secretary of the Board of Directors

Juan Gómez Pulido