Malin Corporation plc

Letter to Shareholders from the Chief Executive Officer

Dear Shareholders,

As we approach the end of 2020, I wanted to update you on the activity and progress within Malin over the past year and to look ahead to 2021.

At the start of the year, we highlighted several key clinical and operational milestones and targets for our investee companies and these have largely been successfully achieved. I believe that these achievements, along with continued progress next year, will catalyse realisation opportunities within Malin's investee companies during 2021.

Highlights of 2020

From a clinical data perspective, the most significant results generated during 2020 include Kymab's strong data from its autoimmune disease-targeting antibody in a Phase 2a clinical study for atopic dermatitis (or eczema), Immunocore's positive Phase 3 data from its lead programme for uveal melanoma and the recent positive Phase 3 data from Viamet's successor, Mycovia, for its anti-fungal drug for recurrent vulvovaginal candidiasis (RVVC), a women's health indication.

On the financing side, Poseida's successful IPO in July 2020 in which it raised $224 million of gross proceeds, extends its cash runway through several important clinical milestones over the coming years. Though the subsequent share price performance has been disappointing, we remain convinced that Poseida's technology platform can deliver meaningfully differentiated clinical outcomes in both gene and cell therapy.

Our revenue-generating assets, Altan and Xenex, have both performed well in 2020. Altan's full-year 2020 revenues are expected to be over 25% higher than 2019 while the demand for Xenex's UV-light disinfection technology is expected to result in its 2020 revenue trebling compared to 2019.

Building on 2020's progress in 2021

The achievements of our investee companies during 2020 puts them in strong positions as we look ahead to 2021.

I believe that Immunocore's Phase 3 data should support an approval of its drug, Tebentafusp, in uveal melanoma during 2021, bringing a potential new treatment for cancer patients with a high unmet need. Tebentafusp was previously granted Fast Track Designation and Orphan Drug Designation by the FDA in the US. As well as the potential of this drug to contribute meaningful revenues to Immunocore in the years ahead, the Phase 3 data and potential approval validates Immunocore's pioneering T Cell Receptor technology platform thereby de-risking its extensive clinical pipeline in oncology and infectious disease.

We also expect Mycovia, Viamet's successor, to gain a US FDA approval of its anti-fungal drug, Oteseconazole (VT-1161), for RVVC before the end of 2021 following the recently released impressive efficacy and safety data from their Phase 3 studies. The expected approval and subsequent launch will result in the initiation of cash inflows to Viamet shareholders, including Malin, from the milestones and royalties included in the structured transaction completed by Viamet with Mycovia in January 2018.

Kymab's Phase 2a data in eczema indicates that this antibody could be disease-modifying and highly differentiated. The commercial opportunity could be substantial given the mechanism of action has potential applicability across a range of autoimmune diseases. This is the most advanced antibody discovered using Kymab's unique antibody discovery platform. We expect data on the next programme in development, which targets solid tumours, during 2021. Kymab can progress into 2021 and beyond with the confidence of having a robust patent estate, having successfully won its UK Supreme Court case against Regeneron in July 2020. This success ends over seven years of challenges and claims from Regeneron in the UK and follows unsuccessful attempts by Regeneron to invalidate Kymab patents in the US, Japan and Australia. With these positive advances from Kymab in 2020, we are confident that the additional 2% stake acquired by Malin through secondary shares for a modest cost in August 2020 will add to our ultimate return on this investment.

Poseida has overcome the challenge of an unfortunate patient death early in its castrate-resistant metastatic prostate cancer CAR-T study and has recommenced recruiting patients into this study. Poseida recently presented encouraging data from its autologous anti-BCMA CAR-T programme at the American Society of Haematology (ASH) conference. This data update came against the backdrop of several CAR-T development companies, including those with anti-BCMA programmes, presenting data with growing treatment-related adverse events. The safety and side-effect profile of Poseidon's CAR-T platform remains best-in-class which could open commercial opportunities that are unlikely to be available to most other CAR-T therapies. Poseida has already gained US FDA approval to dose its autologous BCMA CAR-T therapy as an outpatient therapy in its Phase 2 clinical trial. We remain particularly excited by the potential of Poseida's allogeneic (healthy donor) technology which we believe is where the future of CAR-T therapy lies. The ability to treat dozens or even hundreds of patients from a single healthy donor would significantly lower the cost of cell therapy and improve the speed at which treatment could be administered equating to a transformative breakthrough for the treatment of very sick patients. We expect an Investigational New Drug (IND) application and initiation of a clinical study using this technology during the first half 2021, with potential for data before the end of the year. The first allogeneic programme, P-BCMA-ALLO1, is the healthy donor version of Poseida's current autologous P-BCMA-101 programme, which is in a Phase 2 study for the treatment of multiple myeloma.

Our revenue generating assets will look to build on their 2020 progress next year. Altan will target further top-line growth as it continues to launch new products and expand its presence across Europe. A major focus of management has also been on improving margins and we expect to see EBITDA margin improvement in 2021 and beyond.

Xenex will seek to solidify the 2020 demand levels for its best-in-class UV light disinfection technology. The pandemic created unprecedented demand for Xenex's product during the spring of 2020 but I also believe that there has been a lasting effect on society's focus on disinfection and intolerance of disease-causing pathogens in any setting. Several new business opportunities have been created by Xenex following the pandemic, both within and outside of the acute hospital care setting (which has been and will continue to be Xenex's primary market focus).

Delivery of value to shareholders

The focus of our business strategy over the past few years has been to protect and enhance the value of our positions in our investee companies insofar as possible, and to allow these businesses reach important clinical and operational milestones so that we can realise our capital at optimal value inflection points and initiate capital returns to our shareholders.

Our investee companies have made good progress during 2020 with strong potential to trigger transactional and business development activity in these companies during 2021. Where we determine that our investee companies have reached optimal value inflection points, we will seek to monetise our positions, and we expect to generate cash returns from our investee companies during 2021.

While the primary motivation behind an IPO for most biotech or technology companies is to secure long-term access to the capital needed to fully exploit the companies' technologies, the public securities issued by these companies obviously provide holders with liquid instruments. While we welcome the additional flexibility that a public instrument brings and our ultimate intent is to monetise our positions in all our current investee companies over time, we remain focused on maximising returns to our shareholders by ensuring that all our investee companies have reached optimal value inflection points before we consider monetising positions.

Executing significant cash realisations from our assets during 2021, would allow us to consider capital returns to shareholders once we have repaid our remaining outstanding debt to the European Investment Bank, which now stands at €45 million. We commit to exploring all available avenues open to us in delivering these shareholder returns.

Despite the strong progress of our investee companies during 2020, our market value remains at a very significant discount to what we estimate as our intrinsic value. Though frustrating in the short term, I am confident that shareholder returns will ultimately be underpinned by the return of capital to shareholders.

COVID-19 and the wider environment

The COVID-19 pandemic has highlighted the critical role that exceptional science and technology can play in society. The Malin team is fortunate to work with innovative leaders in our investee companies who are progressing technologies capable of delivering transformative outcomes for patients.

Our investee companies continue to work diligently to minimise the effects of the pandemic on their operations, but there have been some negative impacts. Several of our investee companies have experienced delays in the progression of some clinical trials. Fortunately, the most advanced trials across our investee company group have been able to progress with minimal disruption.

Altan's strong revenue growth in 2020 shows the resilience of this hospital-focused business even though sales have been negatively impacted by the significant reduction in the performance of elective procedures in hospitals across Europe.

As mentioned above, Xenex's UV-light disinfection technology has played an important part in improving the standard of disinfection in many healthcare facilities across the US, Europe and Japan during the pandemic and I believe it will have an important and sustained role in improving infection control in hospitals and other settings going forward.

Despite the difficult macro environment, equity capital markets have performed robustly in 2020 due to, amongst other things, the various monetary stimuli. The pandemic has led to a heightened focus on, and investor appreciation of the life sciences industry. The performance of the biotech sector in 2020 has been particularly strong with over 70 biotech IPOs raising $15 billion in the US and the NASDAQ Biotech Index rising by almost 30% in the year. Malin could benefit if this positive momentum in capital markets is maintained through 2021 given the stage and prospects of several of our investee companies.

Outlook

As we move into 2021, I am confident that we will see continued operational, clinical and transactional progress in our investee companies. Our strategic objectives are clear and the Malin team is focused on executing this strategy. I look forward to communicating our progress over the next year as we target significant value creation for you, our shareholders, and the advancement of transformative therapies for patients across multiple therapeutic areas.

I appreciate your ongoing support and wish you and your families a peaceful Christmas and a prosperous and healthy new year.

Darragh Lyons

Chief Executive Officer

21 December 2020