MALIN

Interim Financial Statements

for the period from incorporation on 16 December 2014 to 30 June 2015

Melinta THERAPEUTICS

ALTAN

kymab

MALIN

3D4MEDICAL Transforming Medical Learning

IMMUNOCORE targeting T cell receptors

XENEX GERM-ZAPPING ROBOTS™

novan

VIAMET

serenus biotherapeutics

EMBA MEDICAL LIMITED

An2H

Jaan Health

EMBA NEURO LIMITED

HATTERAS VENTURE PARTNERS

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Who we are

Malin is an Irish incorporated public limited company. Its purpose is to create shareholder value through the selective long-term application of capital and operational expertise to private, pre-IPO, pre-trade sale operating businesses in dynamic and fast growing segments of the life sciences industry. Through our operational involvement, Malin works with the investee companies to enable them to reach the full potential of their value proposition and to achieve commercial success.

Directors

John Given (Chairman)
G. Kelly Martin (CEO)
Dr. Adrian Howd (CIO)
Darragh Lyons (CFO)
Liam Daniel
Owen Hughes
Robert A. Ingram
Kieran McGowan
Sean Murphy
Prof. Dr. Uwe Bicker (effective from 1 October 2015)

Highlights

Positive response to our launch

Successful over-subscribed Admission on to the Enterprise Securities Market ("ESM") of the Irish Stock Exchange with gross proceeds of €330 million. Malin subsequently completed a placing of additional Ordinary Shares in July 2015 raising gross proceeds of a further €42 million (post balance sheet event).

Putting our capital to work

Completion of the initial 7 acquisitions and investments (set out in the Admission Document) for aggregate consideration of €97 million – An2H Discovery Limited ("An2H"), Emba Medical Limited ("Emba"), Kymab Limited ("Kymab"), Novan Therapeutics Inc. ("Novan"), Serenus Biotherapeutics Limited ("Serenus"), Viamet Pharmaceuticals Holdings LLC ("Viamet") and Xenex Disinfection Services LLC ("Xenex").

Building and diversifying our platform

Completion of 5 new investments in the period to 30 June 2015 for aggregate consideration of €83 million – Altan Pharma Limited ("Altan"), Melinta Therapeutics Inc. ("Melinta"), 3D4 Medical Limited ("3D4Medical"), Jaan Health Inc. ("Jaan Health"") and Emba Neuro Limited ("Emba Neuro").

MARCH 2015

- **Admission onto the ESM**

APRIL 2015

- **Completion of initial 7 acquisitions and investments**

MAY 2015

JUNE 2015

- **Investment in Melinta Therapeutics**
- **Investment in Altan Pharma**
- **Investment in 3D4Medical**
- **Investment in Jaan Health**
- **Investment in Emba Neuro**

"We have expeditiously deployed the capital we raised from our ESM Share Placings in high calibre life sciences assets across multiple therapeutic areas, markets and development stages and we are very encouraged by the progress of these companies"

– Kelly Martin, Malin CEO.

Unparalleled access to unique assets

Completed a €73 million investment in Immunocore Limited ("Immunocore") as a cornerstone investor in Europe's largest ever Series A life sciences financing.

Expanding our global network

Entered into strategic collaboration with Hatteras Venture Partners ("Hatteras") for up to $20 million (€18 million).

Important development milestone

One of Malin's first investments, Emba Medical, received CE certification for its Hourglass™ Peripheral Embolisation Plug.

Refined Business Structure to Align Focus on Operating Assets

With Malin's asset sourcing and capital deployment largely completed, Malin's business structure was refined to enable it to utilise and align resources to the needs of the business. Malin's Chief Executive Officer ("CEO") Adrian Howd assumed the newly established and critically important role of Chief Investment Officer ("CIO"), based at the Company's new office in Cambridge, UK. Malin Director Kelly Martin assumed the role of Malin CEO and Malin's Chairman, John Given, assumed responsibility for a number of executive functions.

JUNE 30TH

JULY 2015

- **Investment in Immunocore**
- **Additional Share Placing**
- **Emba Medical CE certification**

AUGUST 2015

- **Investment in Hatteras**

SEPTEMBER 2015

- **Release of interim results**

POST BALANCE SHEET PERIOD

Chairman's Letter

On behalf of the board of Malin, I am pleased to present the Company's first interim report for the period ended 30 June 2015. This initial period for Malin has seen a number of significant events for the Company, all of which reinforce our belief that Malin offers a unique platform for long-term investors and life science companies at a critical stage in their life cycle.

The market's enthusiastic response to Malin's value proposition was clearly demonstrated by the highly successful Admission on to the ESM of the Irish Stock Exchange, raising €330 million from the initial placing of its shares in March 2015. An additional €42 million was raised through a non-pre-emptive private placement in July 2015.

A key focus for the Company in the period since Admission has been the selective and efficient deployment of our capital in unique, high potential businesses in the most promising and dynamic areas of the life sciences industry. We successfully completed the initial 7 acquisitions and investments that had been set out in our Admission Document upon, or shortly after, Admission and completed 5 additional investments by 30 June 2015. Subsequently, Malin was one of a select number of investors asked to participate, alongside Woodford Investment Management as cornerstone investors, in a Series A financing for Immunocore, Europe's largest ever Series A life sciences financing. Malin has also entered into a strategic collaboration with Hatteras, based in North Carolina, which will afford Malin unrivalled access to many technologies and platforms in a number of world class universities and discovery stage companies in the life sciences sector. With the completion of these multiple, diversified transactions, we now have a group of world-class life sciences assets across a broad range of promising therapeutics and devices, markets, geographies and stages of development.

We are already encouraged by the progress of our investee companies in the period since Malin's investment and we look forward to a number of significant value inflection events that will demonstrate their quality and potential.

One of our first investments, Emba Medical, has received CE certification for its revolutionary peripheral embolisation device, and we anticipate a number of other important milestones across our assets during the second half of 2015 and into 2016. We also expect important value inflection points beyond 2016 as a result of the broad range of time horizons over which our assets are expected to mature.

The momentum demonstrated by our investee companies reinforces our belief in their scientific, commercial and strategic strengths and in Malin's ability to contribute to achieving their long term potential. Above all, we are committed to building substantial shareholder value. We will seek to return gains to shareholders at the most appropriate time and in the most appropriate form as our assets arrive at value inflection points. The Board will evaluate all alternatives including dividends, in specie dividends and share buybacks and will seek to return capital in the most appropriate and efficient form.

With Malin's asset sourcing and capital deployment phase now substantially completed, the Company's primary focus has shifted to the advancement of our assets and critical assessment and execution of the various opportunities. As a result, Malin's business structure has been refined to enable it to utilise and align resources to the best needs of the business. Malin's CEO, Adrian Howd, assumed the newly established and critically important role of CIO, allowing him to concentrate his expertise on the underlying science, technology and clinical progression of the assets and assess current and future value (and risk) characteristics. Malin Director, Kelly Martin, assumed the role of Malin CEO. Kelly will focus on the operational advancement of the assets relative to opportunities, risk and execution and will also be accountable for Malin's day to day business operations. In addition, I have agreed to take on a number of executive functions, in areas my experience can be deployed to the benefit of Malin and our shareholders. As our business progresses, we will continue to revisit and reassess every part of our infrastructure to ensure we are at all times current, optimised and in the best possible position to advance our business and serve our shareholders.

In summary, we believe that Malin's business model, long-term strategy, world-class talent pool of employees and advisory partners, and unrivalled group of assets will translate into clinically meaningful healthcare products that will transform the lives of patients and deliver significant long-term value for shareholders. We look forward to the future with enthusiasm and confidence.

John Given
Chairman

18 September 2015

"We are already encouraged by the progress of our investee companies in the period since Malin's investment and we look forward to a number of significant value inflection events that will demonstrate their quality and potential."

Vision

Long-Duration Capital + Assets & Talent + Operational & Strategic Expertise + Time = **Value Recognition & 'Unlock'**

"By applying our strategic and operational expertise, together with our capital and resources, we are confident that we will be able to contribute to building long term value in our assets and building substantial shareholder value"

- Adrian Howd, Chief Investment Officer.

CEO's Letter

Malin has made steady progress in the period since our Admission on to the ESM at the end of March of this year. Our primary focus in this period has been thoughtfully allocating our investment capital across a range of life sciences assets. To date, Malin has established meaningful capital exposures to a variety of companies. These companies represent a broad cross section of the value chain within the life sciences industry. These include discovery science, clinical programs, devices, mobile health and a strategically attractive geographic business opportunity.

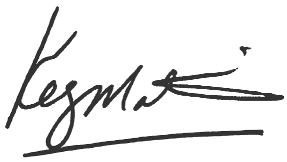
With Malin's asset sourcing and capital deployment largely completed, the Company's primary focus shifts to the advancement of specific businesses and ensuring focus on business execution centred on the most value enhancing opportunities. The combination of Malin's operational and strategic industry experience and the proper alignment to a unique collection of assets provide the ingredients necessary to build value and provide compelling total shareholder return performance.

We have judiciously strengthened our management team with a number of highly experienced individuals whose background and experience span the breadth of the industry. We will continue to add selectively to the team and ensure the highest quality talent is housed within Malin.

In addition to the operating talents within Malin, the Board of Directors added Prof. Dr. Uwe Bicker to our Board with effect from 1 October 2015. Prof. Dr. Bicker brings a unique combination of academic, medical and business expertise to Malin and its assets.

A key component of Malin's business model in the coming years will be to remain flexible and creative as we evaluate strategic opportunities. We will be guided by our consistent approach to capital deployment based on a vigorous risk/reward assessment of business opportunities. We will continue to seek opportunities to leverage our financial and business structure, as an Irish plc.

With the unique breadth of life sciences assets that we have acquired, we have built a strong foundation to deliver long term value to shareholders. I look forward to updating you on our continued progress.



Kelly Martin
Chief Executive Officer

18 September 2015


Business

Interim Management Report

Overview

Malin is an Irish based global life sciences company. Its purpose is to create shareholder value through the selective long-term application of capital and operational expertise to private, pre-IPO, pre-trade sale operating businesses in dynamic and fast growing segments of the life sciences industry. Through our operational involvement, we work with our investee companies to enable them to reach the full potential of their value proposition and to achieve commercial success.

On 25 March 2015, Malin was admitted to trading for the first time on the ESM of the Irish Stock Exchange having raised up to €330.0 million ("Admission"). At the time of Admission, Malin had completed the fundraising in respect of €302.0 million at a placing price of €10.00 per Ordinary Share ("the Placing Price") with additional investment commitments of up to €28.0 million pursuant to which additional new Ordinary Shares could subsequently be issued by Malin at the Placing Price. On 12 May 2015, the additional investment commitments of €28.0 million were completed in full to increase total gross proceeds from the Placing to €330.0 million.

Following Admission, Malin completed the 7 initial acquisitions and investments that were set out in the Admission Document with a total aggregate investment outlay of €97.3 million. On 9 June 2015, Malin completed a €31.1 million ($35.0 million) investment in Melinta, a private company developing novel antibiotics to treat bacterial infections. Under the terms of the transaction, Malin also committed to invest a further $10.0 million (approximately €8.9 million) which is callable by Melinta within 12 months.

On 10 June 2015, Malin acquired a 65% shareholding in Altan for €34.5 million. Altan is a private Irish headquartered specialty pharmaceutical company, which concurrently acquired the GES Group, a privately held group of Spanish injectable drug companies, for consideration of €73.5 million[1]. Altan raised debt financing of €40.0 million as part of the funding of this transaction.

On 30 June 2015, Malin acquired a 38% shareholding in 3D4Medical for consideration of €14.7 million ($16.4 million), along with a further call option to increase our shareholding to 50%. 3D4Medical is a leading innovative medical technology company, based in Ireland, which specialises in the development of medical, educational and health and fitness apps for healthcare professionals as well as student and patient education.

During the period, Malin also invested €2.3 million ($2.5 million) in Emba Neuro, a sister company of Emba Medical increasing its equity stake in this company to 54%, and invested €0.4 million ($0.5 million) in Jaan Health, a privately held, New York based healthcare mobile technology company, with an option to invest a further $0.5 million (€0.4 million).

Subsequent to the interim period end, on 15 July 2015, Malin invested €72.9 million ($80.3 million) in Immunocore, a world-leading biotechnology company developing novel T cell receptor (TCR) based therapies with the potential to treat a variety of cancers, viral infections and autoimmune diseases. Malin joined Woodford Investment Management, Eli Lilly and Company, Fidelity Management & Research Company, RTW Funds as well as a number of existing investors in Immunocore in a financing round of $320.0 million.

On 17 July 2015, Malin completed a placing of additional Ordinary Shares at a placing price of €10.99 per share raising gross proceeds of €42.0 million.

In August 2015, Malin agreed, as part of a strategic collaboration agreement, to invest a minimum of $15.0 million (approximately €13.7 million) and, depending on a number of factors, up to a total of $20.0 million (approximately €18.3 million) with Hatteras, a life sciences focused venture capital firm based in North Carolina. Hatteras invests in early stage life sciences companies with a broad focus including medical devices, diagnostics, discovery science and clinical platforms as well as healthcare IT. This partnership with Hatteras gives Malin access to many additional opportunities particularly discovery and early-stage assets in collaboration with a proven leader in this field, without having to build a discovery infrastructure itself.

With Malin's asset sourcing and capital deployment largely completed, Malin's business structure was refined to enable it to utilise and align resources to the needs of the business. Malin's CEO, Adrian Howd, assumed the newly established and critically important role of CIO based at the Company's new office in Cambridge, UK. Malin Director, Kelly Martin, assumed the role of Malin CEO and Malin's Chairman, John Given, assumed responsibility for a number of executive functions.

1 Altan paid GES €87.5 million in total, including €14.0 million of consideration for excess cash and cash equivalents and working capital amounts retained within the GES Group

Interim Management Report

Review of Malin's subsidiaries, associates and investments

During the period from Admission on to the ESM on 25 March 2015 to 30 June 2015, Malin invested €180.3 million of capital to acquire interests in 12 life sciences companies and, subsequent to the period end, invested a further €72.9 million in Immunocore and agreed to invest a minimum of $15.0 million (approximately €13.7 million) and, depending on a number of factors, up to a total of $20.0 million (approximately €18.3 million) with Hatteras. The table below provides an overview of our subsidiary, associate company and investment interests.

Investee	Country	Investment consideration €'m[1]	% shareholding at 30 June 2015	Description
Subsidiaries				
Serenus	Ireland	16.6	48%	Specialty biopharmaceutical company focused on the in-licensing, registering and commercialising of U.S., European and Japanese approved therapeutics in the African market.
Altan Pharma	Ireland	34.5	65%	Global injectable drug company focused on providing specialty medications of superior quality and value for the benefit of patients and caregivers.
Emba Neuro	Ireland	2.3	54%	Incorporated as a sister company to Emba Medical, for the purposes of developing the Emba technology for application in the neurovascular field.
Associates				
An2H	Ireland	4.2	25%	Focused on designing novel small molecule therapeutics that target key proteins within the Ubiquitin Proteasome Pathway (UPS).
Novan	US	27.3	17%	Clinical stage company focused on the discovery and development of novel nitric oxide therapies.
Viamet	US	18.6	12%	Drug discovery company focused on the development and commercialisation of novel small molecule drugs that target metalloenzymes via a proprietary platform called Metallophile® Technology.
Kymab	UK	18.0	12%	Biotechnology company focused on the generation of fully human monoclonal antibody therapeutics via its proprietary Kymouse™ platform.
Emba Medical	Ireland	1.5	13%	Medical device company focused on the development of a novel and differentiated vascular embolisation system with the potential to deliver and target a wide range of vessel sizes.
3D4Medical	Ireland	14.7	38%	Medical technology company that specialises in the development of medical, educational and health and fitness apps for healthcare professionals as well as student and patient education.
Available-for-Sale Investments				
Melinta	US	31.1	11%	Antibiotic development company currently progressing its late-stage investigational antibiotic, delafloxacin, which is currently in Phase 3 development for acute bacterial skin and skin structure infections (ABSSSI).
Xenex	US	18.7	10%	Medical technology company which has as its mission to become the new standard method for disinfection in healthcare facilities worldwide. Xenex's primary product is a patented pulsed xenon UV room disinfection robot.
Jaan Health	US	0.4	6%	Mobile healthcare technology company dedicated to managing medication adherence via its novel mobile platform Phamily™.
Post Balance Sheet Investments				
Immunocore	UK	72.9	11%	Biotechnology company developing novel T cell receptor based therapies with the potential to treat a variety of cancers, viral infections and autoimmune diseases.
Hatteras	US	0.7 (drawn down to date)		Venture capital firm formed to invest primarily in early stage companies with a focus on biopharmaceuticals, medical devices, diagnostics, healthcare IT, and related opportunities in human medicine.

[1] Includes amounts transferred from Brandon Point Industries on Admission.

Interim Management Report

Evaluating Malin's Performance

Basis of preparation of Malin's Consolidated Financial Statements

Malin's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) which requires Malin to consolidate investees which we control (subsidiaries), equity account for investees over which we have the right to exercise significant influence (associate companies) and account for the remainder of our investments at fair value where we do not control or significantly influence the companies (available-for-sale investments).

As a result, our Consolidated Income Statement incorporates the results of Malin, and its subsidiaries, as well as recognising our share of the profits or losses of our associate companies as a single line item in the consolidated income statement. Changes in the fair value of our investee companies regarded as available-for-sale investments are recognised through the Statement of Comprehensive Income. The Consolidated Balance Sheet includes the assets and liabilities of Malin and its subsidiary companies, as well as recognising Malin's associate companies at cost plus/minus our share of the profits or losses of these companies and Malin's available-for-sale investments at fair value.

We believe that the performance of Malin is best assessed by reviewing the progress of our investee companies, which can be appraised based on the scientific and commercial progress and quantified based on the changes in the fair value of these companies. Although we are not mandated by IFRS to include current valuations of all of our investee companies, we will present, as supplementary non-GAAP information, fair value information on each of the Company's investee companies as a means of promoting transparency. This analysis will be first presented in the Annual Report for the year ended 31 December 2015.

Valuation of our subsidiaries, associates and investments

The supplementary valuation disclosure will be prepared in accordance with the fair value measurement guidance in IFRS 13 "Fair value Measurement". Although the basis for the fair value measurement of each investee company will be based on this standard, the disclosure is a non-GAAP supplemental disclosure.

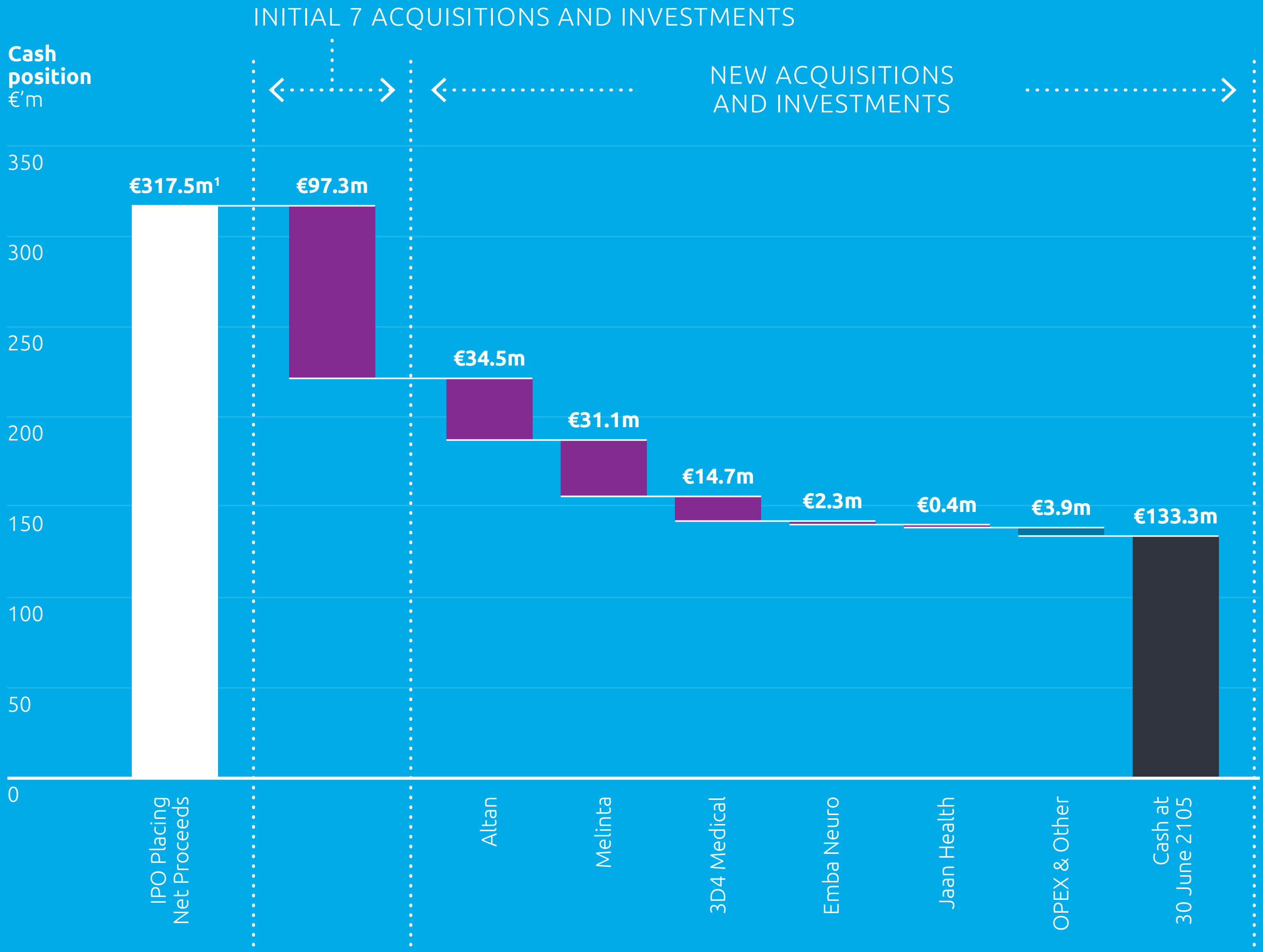
The fair value of Malin's private investments will be determined using market and income fair value approaches including:

- Prices of recent capital investment transactions in the investee company;
- Relative company valuations; including direct market analogues and peer group averages;
- Comparable observed market transactions; and
- Discounted cash flows.

The appropriate approach will be that for which there is sufficient data available to determine fair value and we will typically apply a number of techniques to ensure the reliability of the valuation. Wherever possible Malin will use valuation techniques which make maximum use of market-based observable inputs.

We believe that the performance of Malin is best assessed by reviewing the progress of our investee companies, which can be appraised based on the scientific and commercial progress and quantified based on the changes in the fair value of these companies.

Malin's Cash Position



Malin's consolidated cash and cash equivalents balance at 30 June 2015 of €163.7 million includes cash balances of €30.4 million held by its subsidiary companies and €133.3 million held by Malin.

Of the net proceeds of €317.5 million raised from the initial placing of Malin's shares on the ESM, €97.3 million was allocated to the initial 7 acquisitions and investments that had been set out in the ESM Admission Document. In the period from Admission to 30 June 2015, equity positions were acquired in 5 additional companies, for a total of €83.0 million of cash consideration.

After taking account of operating expenses and working capital adjustments, the cash position at 30 June 2015 was €133.3 million.

Subsequent to the period end, Malin completed a €72.9 million ($80.3 million) investment in Immunocore and completed a placing of additional Ordinary Shares at a placing price of €10.99 per share raising gross proceeds of €42.0 million. In addition, Malin agreed to invest a minimum of $15.0 million (approximately €13.7 million) and, depending on a number of factors, up to a total of $20.0 million (approximately €18.3 million) with Hatteras. €0.7 million ($0.8 million) of this total commitment has been advanced to Hatteras to date.

[1] Cash proceeds less Company Establishment Transaction Costs.

Interim Management Report

Our Investee Companies

In addition to completing the initial 7 acquisitions and investments that were set out in our Admission Document, we have also acquired interests in an additional 7 investee companies (including 2 during the post-balance sheet period). In each of these companies, Malin has identified cutting-edge science and technology, world-class talent and compelling value propositions.

Viamet is a drug discovery company focused on the development and commercialisation of novel small molecule drugs that target metalloenzymes via a proprietary platform called Metallophile® Technology.

Based in North Carolina, USA, Viamet seeks to design drugs that have greater selectivity, fewer side effects and improved potency compared to existing antifungal agents. Viamet's differentiation, manifested in its proprietary Metallophile® Technology, rests within its structural chemistry know-how and deep understanding of metal ion/drug interactions.

Viamet's pipeline is relatively advanced with Phase 2b clinical trials currently underway for its lead asset, VT-1161, for the treatment of recurrent vulvovaginal candidiasis and onychomycosis. Viamet's two antifungal assets in Preclinical Phase are VT-1129 and VT-1598. VT-1129 is a potent anti-cryptococcal agent being developed as a potential treatment for cryptococcal meningitis, a life-threatening fungal infection of the central nervous system and an orphan indication. The initial therapeutic focus for Viamet is human fungal infections, however, the drug discovery platform has applicability in many other therapeutic areas.

Novan is a clinical stage company focused on the discovery and development of novel nitric oxide therapies. Novan's proprietary platform technology, NITRICIL™, solves the previous delivery issues with nitric oxide by stably storing the gaseous species in macromolecules, resulting in a diverse pipeline of nitric oxide-releasing new chemical entities. The NITRICIL™ platform technology enables drugable nitric oxide in a variety of dosage forms.

Given nitric oxide's role across multiple biological functions, the ability to stabilise nitric oxide could play an important role in the future of pharmaceuticals.

Since beginning pharmaceutical drug development in 2010 in North Carolina, USA, Novan has been steadily developing topical products that target emotionally or physically debilitating skin diseases.

The advancement of Novan's lead product candidate, SB204, into Phase 2b clinical development for the treatment of acne proves the concept of the NITRICIL™ platform technology. The company is aiming to expand its pipeline with clinical studies in infectious diseases and wound care, as well as further research in dermatology.

Our Investee Companies

continued

Serenus is an Irish headquartered specialty biopharmaceutical company, specialising in in-licensing, registering, and commercialising U.S. Food and Drug Administration, European Medicines Agency and Japan's Pharmaceutical and Medical Devices Agency approved therapeutics to address unmet medical needs with high regional prevalence in the African market.

Serenus is focused on bridging the divide between the world's leading pharmaceutical markets and the growing demand for access to innovative therapies in the emerging nations of Africa.

With its regional headquarters in Johannesburg, South Africa, Serenus offers an African access platform that positions it to serve as a partner for biopharmaceutical companies with extensive therapies in developed markets.

Serenus provides a unique opportunity to build a footprint in this dynamic and high potential market, with the benefit of an experienced management team who are experts in pharmaceutical distribution in an African context and in the region's commercial and compliance practices.

serenus biotherapeutics

kymab

Kymab is the first spin-out from The Wellcome Trust Sanger Institute, Cambridge, U.K. a world leader in the Human Genome Project and genetic studies to determine the function of genes in health and disease.

Kymab has developed a novel approach to the generation of fully human monoclonal antibody therapeutics via its proprietary Kymouse™ platform. Kymab aims to evolve into a world leading biopharmaceutical company through the use of its platform to build a drug pipeline. The Kymouse™ platform is capable of rapidly generating a very broad and diverse range of fully human antibodies against multiple challenging, and previously intractable, disease targets.

Kymouse™ has been designed to maximise the diversity of human antibodies produced in response to immunisation with antigens. Selecting from a broad diversity of fully human antibodies assures the highest probability of finding a rare drug candidate with best-in-class characteristics.

Kymab is using the platform for its internal drug discovery programmes in partnership with pharmaceutical companies. The first partnership agreement was concluded with Novo Nordisk in 2013.

Kymab is building a rich pipeline of assets in three therapeutic spaces: immuno-oncology, immunology and opportunistic (including but not limited to chronic pain, infectious disease and haematology/chronic anaemia).

An2H is an Irish headquartered company focused on designing novel small molecule therapeutics that target key proteins within the Ubiquitin Proteasome Pathway System (UPS). The UPS is an intracellular system involved in the regulation of protein function. Dysfunction within the UPS is implicated in multiple diseases including several oncology, neurodegenerative, virology, metabolic and autoimmune diseases.

An2H will apply its unique in-house expertise in proprietary compound binding mechanisms to assemble a pipeline of novel compounds against multiple targets within the UPS. Currently, An2H is testing a series of compounds that could be ready for Investigational New Drug (IND) filing in late 2017. An2H's goal is to create a drug discovery company that can predictably and repetitively design patented compounds for drugable targets with the intent to out-license these compounds for commercial availability.

An2H

Interim Management Report

Our Investee Companies

continued

Established in San Antonio, USA, Xenex aims to become the new standard method for disinfection in healthcare facilities worldwide, eliminating harmful bacteria, viruses and fungi which can cause healthcare associated infections in patients and staff. Xenex's primary product is a patented pulsed xenon UV room disinfection robot which is used for the advanced disinfection of healthcare and other facilities.

The Xenex robot uses a pulsed xenon lamp to emit ultraviolet light. It can effectively disinfect a typical patient/procedure room in 5-10 minutes, as demonstrated in multiple peer-reviewed published studies. The device produces full spectrum ultraviolet (UV-C), which penetrates the cell walls of bacteria, viruses, mould, fungi and spores, causing the pathogens' DNA to fuse, rendering them unable to reproduce.
Without contact or chemicals, the Xenex robot's pulsed xenon light kills harmful microorganisms safely and effectively. In addition, the Xenex device uses xenon gas to produce UV-C, a safe non-toxic and green technology. All competing portable UV technologies use or contain toxic mercury or hydrogen peroxide.

Due to its speed and ease of use, the Xenex system integrates smoothly into hospital cleaning operations. Over 250 hospitals across the U.S. have implemented the Xenex room disinfection system as a pivotal part of their infection prevention team. Many healthcare facilities have reported a significant return on investment in Xenex when evaluating the impact on reimbursement and reduction in chemical and labour costs.

XENEX®

EMBA
MEDICAL LIMITED

Emba Medical, an Irish headquartered company, has developed a novel and differentiated vascular embolisation system that has the potential to deliver and target a wide range of vessel sizes. Emba Medical's vascular embolisation system gives the physician the ability to position/reposition at the occlusion site and permanently stop blood flow with only one device in blood vessels ranging from 2mm to 15mm in diameter.

Emba Medical's first product offering, Hourglass™ Peripheral Embolisation Plug, targets the embolisation of vessels of 3mm-8mm in diameter. In laboratory, biomechanical and preclinical testing, Emba Medical's technology has demonstrated significant advantages over coils and plugs currently on the market, in terms of precision, immediate occlusion, lack of migration and cost.

In July 2015, and following first-in-man testing, the Hourglass™ Peripheral Embolisation Plug was awarded a CE certificate allowing the company to pursue commercial activities in the EU. Emba Medical has also submitted a filing for 510(k) clearance with the Food & Drug Administration (FDA) to enable it to pursue commercial activities in the United States.

Emba Neuro was established as a sister company to Emba Medical to develop the Emba embolisation device for application in the neurovascular field. Emba Neuro is headquartered in Ireland.

The device under development aims to address the limitations of marketed products through its unique design and usability. It is estimated that the current worldwide market size for neurovascular embolisation market is approximately $1bn of annual sales.

EMBA
NEURO LIMITED

Our Investee Companies

continued

Melinta is dedicated to saving lives threatened by the global public health crisis of bacterial infections through the development of novel antibiotics that provide new and better therapeutic solutions.

Melinta is rapidly progressing its late-stage investigational antibiotic, delafloxacin, which is currently in Phase 3 development for acute bacterial skin and skin structure infections (ABSSSI). Delafloxacin has been designated a Qualified Infectious Disease Product (QIDP) for both ABSSSI and community-acquired bacterial pneumonia by the U.S. Food and Drug Administration.

Melinta is committed to developing, through the application of Nobel Prize-winning science, a new class of antibiotics designed to overcome the multi- and extremely-drug-resistant pathogens for which there are few to no options, known collectively as ESKAPE pathogens, and which are responsible for the majority of life-threatening hospital infections.

Based in Connecticut and Illinois, USA, Melinta boasts a world-class management team that has outstanding experience commercialising anti-infective therapies for underserved patient populations.

Altan is a global injectable drug company headquartered in Dublin, Ireland and committed to improving patient care by providing specialty medications of superior quality and value for the benefit of patients and caregivers.

Altan will establish and grow its business by acquiring and developing attractive products and assets; adding value through systematic implementation of best practices in manufacturing, distribution, regulatory, R&D and commercial operations; and, consolidating those assets into an integrated and highly efficient global organisation.

Altan's first acquisition, a privately owned group of Spanish drug companies, The GES Group provides an attractive opportunity in the generic injectable business in Europe and select Asian and Latin American markets.

Altan will build on GES' strong position in the Spanish market and significantly improve its competitive profile in international markets as it simultaneously pursues additional acquisitions.

3D4Medical is a leading innovative medical technology company, based in Ireland that specialises in the development of medical, educational and health and fitness apps for healthcare professionals as well as student and patient education.

The Company's apps are designed to encourage unique learning experiences through intuitive interactivity and visualisations and utilise revolutionary proprietary 3D technology to show the human body.

3D4Medical creates apps for the iPad, iPhone, Mac OS, Android, Windows and Flash platforms that have all been medically approved and designed to the highest standard, including a number of which have developed in collaboration with Stanford University School of Medicine.

3D4Medical's latest groundbreaking apps have revolutionised the teaching and learning of anatomy, physiology and exercise, enabling users to effortlessly navigate via 360° views of the human body. The company's apps have also proven to be of enormous benefit to healthcare professionals as a means by which to illustrate and communicate effectively with patients, pupils and clients.

To date, 3D4Medical has enjoyed significant success with over 9 million app downloads worldwide and numerous top grossing No. 1's on the App Store. 3D4Medical intends to build on its success through the release of the new generation proprietary 3D technology and platform solution. 3D4Medical will focus on the expansion of the cutting edge 3D medical learning platform and build out company infrastructure bringing with it new and larger markets and opportunities.

Interim Management Report

Our Investee Companies

continued

Jaan Health is a privately held, New York based mobile healthcare technology company specialising in patient coordination.

Founded by an experienced team of healthcare & technology entrepreneurs, Jaan Health has developed Phamily™ - the first mobile and web based community care coordination platform that leverages family resources intended to change patient behaviour and streamline follow-up. To date the company has built and tested 3 products within Phamily and will be launching its universal SaaS platform for healthcare providers and consumers this Autumn.

Jaan Health

Immunocore is one of the world's leading biotechnology companies, with a highly innovative immuno-oncology platform technology called ImmTACs (Immune mobilising monoclonal TCRs Against Cancer). ImmTACs are a novel class of biologic drugs, based on Immunocore's proprietary T cell receptor (TCR) technology, which have the potential to treat diseases with high unmet medical need including cancer, viral infections and autoimmune diseases.

Immunocore, based on decades of world-leading scientific innovation in the discovery of Human Leukocyte Antigen targets and T cell receptor technology, has a pipeline of wholly-owned and partnered ImmTAC programmes with robust clinical data, validated by collaborations with world-leading pharmaceutical companies. Immunocore aims to leverage the utility of its platform across a wide range of indications to become a premier biotechnology company and world-leader in its field.

In recent years, notable clinical successes, alongside a better understanding of the immune response, have translated into intense interest in the area of immuno-oncology. Immunocore's ImmTAC therapeutics combine the best of the latest techniques to provide a unique therapeutic platform with the potential to generate potent and durable responses across a broad range of cancer indications.

Based in Oxford, United Kingdom, Immunocore's world-leading science and strong IP position have attracted major pharmaceutical companies including Genentech, GlaxoSmithKline, MedImmune, the biologics division of AstraZeneca, by way of discovery collaborations, as well as a co-discovery and co-development partnership with Eli Lilly and Company.

IMMUNOCORE
targeting T cell receptors

HATTERAS
VENTURE PARTNERS

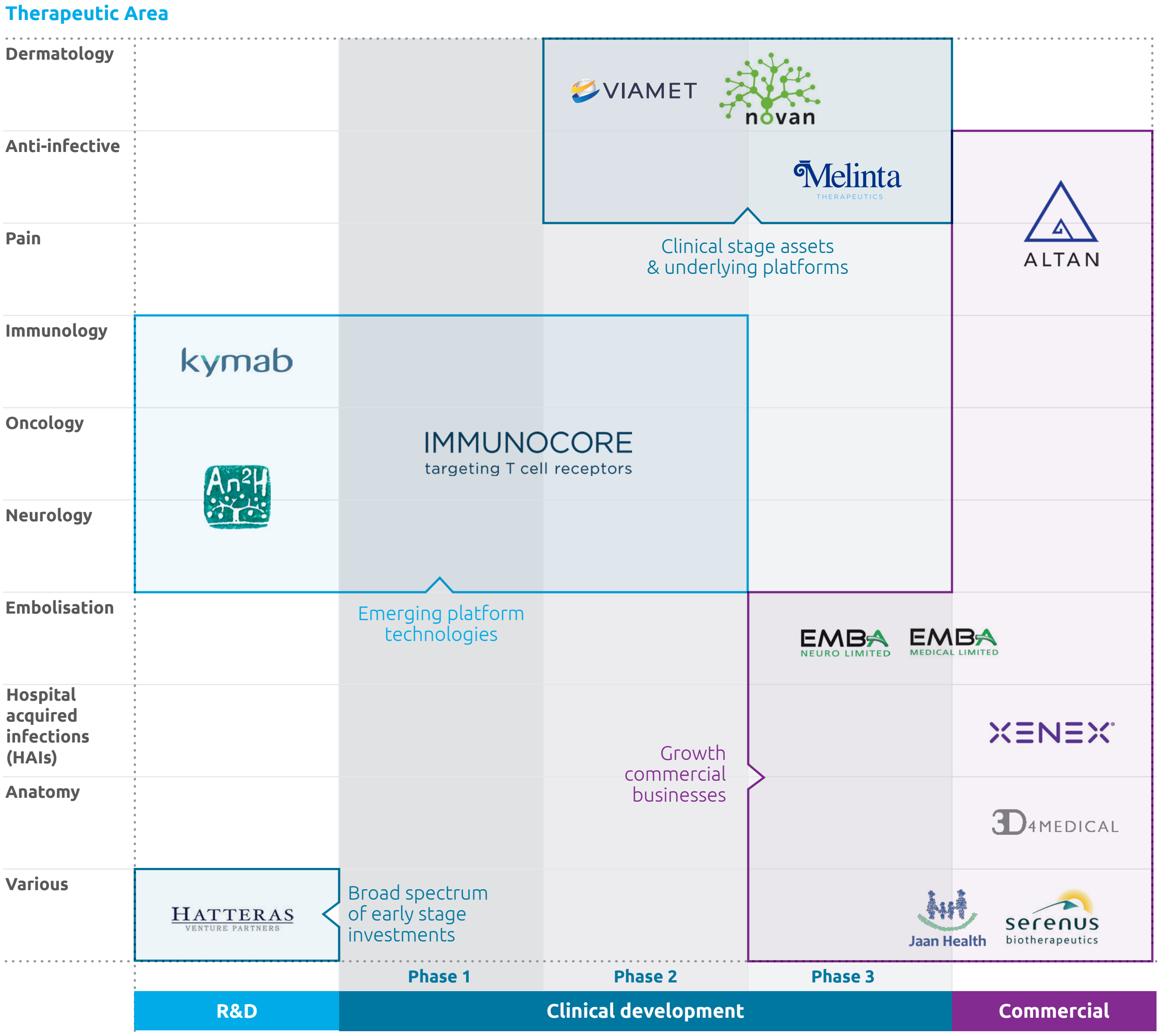
Hatteras is a venture capital firm that invests in early stage companies in life sciences with a broad focus including medical devices, diagnostics, discovery science and clinical platforms as well as healthcare IT.

Hatteras leverages its partner relationships with a number of world class universities in the Southeast of the U.S. (including Duke, North Carolina, North Carolina State, Vanderbilt, Georgia Tech and Wake Forest) and a large number of discovery and early stage companies in North Carolina's ResearchTriangle Park to grow portfolio companies from the seed stage to maturity.

It is hoped that the combination of these partner relationships with Hatteras's team of seasoned entrepreneurs and operators, can develop numerous life sciences opportunities in the US, Ireland and other countries.

Our Life Sciences Assets

Our assets give us unique breadth across therapeutic areas and stages of development. This breadth gives us unrivalled exposure to the most innovative and potentially valuable areas of the life sciences sector.



Interim Management Report

Our Life Sciences Assets

continued

We are encouraged by the progress of our investee companies in the periods since Malin's initial investments.

On 10 July 2015, Emba Medical was awarded CE certification for its revolutionary peripheral embolisation device. The Company has also submitted a filing for 510(k) clearance with the FDA to enable it to pursue commercial activities in the United States.

The Company is excited by the near and medium term discovery, development and commercial milestones of our investee companies.

Anticipated news flow

	2015	2016	2017
Emba Medical	Complete first-in-man clinical studies Submit filing for 510(k) clearance Awarded CE certificate (10 July)		
Novan	SB204 (Acne) Phase 2b top-line data SB204 (Acne) FDA end of Phase 2 meeting	SB204 (Acne) Potential start Phase 3	SB204 (Acne) Phase III top-line data SB204 (Acne) Potential NDA filing
Viamet	VT-1129 (Meningitis[1]) IND filing and Phase I initiation VT-1598 (Invasive Fungal Infection) IND candidate selection VT-1161(OM) Phase 2b interim data	VT-1129 (Meningitis[1]) Phase I complete VT-1598 (Invasive Fungal Infection) IND filing and Phase I initiation VT-1161 (RVVC) Phase 2b interim data VT-1161 (RVVC / OM) Phase 2b top-line final data	
3D4 Medical	Launch of first product in Complete Anatomy Series	Launch of Complete Anatomy Clinical Solution	
Immunocore	Phase 1/2a Melanoma Results	IMCgp100 in combination with Lilly's LY2157299 Phase Ib/II IMCgp100 in combination with Lilly's LY2801653 Phase Ib/II	
Altan		New products/markets	Additional product launches
Serenus		Product launches	Additional product launches
Melinta		File Delafloxacin IV-formulation with FDA	
Kymab			Several mAbs in Phase I
An2H			INDs filed

1. Cryptococcal Meningitis

Unaudited Consolidated Interim Financial Statements

Independent review report to Malin Corporation plc

Introduction

We have been engaged by the company to review the consolidated financial statements in the half-yearly financial report for the period from incorporation on 16 December 2014 to 30 June 2015 which comprises the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated financial statements.

This report is made solely to the company in accordance with the terms of our engagement and guidance contained in the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors.

As disclosed in note 1, the annual financial statements of the group will be prepared in accordance with IFRSs as adopted by the EU. The Directors are responsible for ensuring that the consolidated financial statements included in this half-yearly financial report have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the consolidated financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements in the half-yearly report for the period from 16 December 2014 to 30 June 2015 are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

18 September 2015

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Unaudited consolidated income statement

for the period from incorporation on 16 December 2014 to 30 June 2015

		Interim period to 30 June 2015		
	Notes	Excluding Company Establishment Costs €'m	Company Establishment Costs (note 6) €'m	Including Company Establishment Costs €'m
Revenue		2.5	—	2.5
Cost of sales	5	(1.9)	—	(1.9)
Gross profit		0.6	—	0.6
Research and development expenses	5	(0.5)	—	(0.5)
General and administrative expenses	5	(6.5)	(17.1)	(23.6)
Operating loss		(6.4)	(17.1)	(23.5)
Share of net losses of associate investments	10	(2.1)	—	(2.1)
Finance costs	7	(1.1)	—	(1.1)
Loss before tax		(9.6)	(17.1)	(26.7)
Taxation	8	0.1	—	0.1
Loss after tax for the period		(9.5)	(17.1)	(26.6)
Loss attributable to:				
Equity holders of the parent		(8.7)	(17.1)	(25.8)
Non-controlling interest	26	(0.8)	—	(0.8)
Loss per share				
Basic and diluted loss per share attributable to owners of the parent (euro per share)	23			(€1.52)

Unaudited consolidated statement of comprehensive income

for the period from incorporation on 16 December 2014 to 30 June 2015

	Notes	Interim period to 30 June 2015 Excluding Company Establishment Costs €'m	Company Establishment Costs (note 6) €'m	Including Company Establishment Costs €'m
Net loss for the period		(9.5)	(17.1)	(26.6)
Other comprehensive income/loss ("OCI"):				
Items that may be reclassified subsequently to income statement				
Foreign currency translation differences		(0.6)	—	(0.6)
Share of OCI of associate investments – foreign currency translation	10	(0.4)	—	(0.4)
Available-for-sale investments – foreign currency translation	12	(0.4)	—	(0.4)
Other comprehensive loss for the period		(1.4)	—	(1.4)
Total comprehensive loss for the period		(10.9)	(17.1)	(28.0)
Attributable to:				
Equity holders of the parent		(10.1)	(17.1)	(27.2)
Non-controlling interest	26	(0.8)	—	(0.8)

Unaudited consolidated statement of financial position

As at 30 June 2015

	Notes	30 June 2015 €'m
Assets		
Non-current assets		
Investments in associates	10	83.4
Available-for-sale investments	12	52.1
Goodwill and other intangible assets	14	38.6
Property, plant and equipment	15	13.3
Deferred tax asset	8	0.7
Total non-current assets		188.1
Current assets		
Inventories	16	15.4
Trade and other receivables	17	15.2
Derivative financial assets	13	1.8
Cash and cash equivalents	18	163.7
Total current assets		196.1
Total assets		384.2
Liabilities and equity		
Non-current liabilities		
Deferred tax liability	8	1.6
Loans and borrowings	20	32.7
Total non-current liabilities		34.3
Current liabilities		
Loans and borrowings	20	0.1
Derivative financial liabilities	13	1.7
Trade and other payables	19	10.2
Current tax payable		4.3
Total current liabilities		16.3
Equity		
Share capital	21	—
Share premium		329.3
Other reserves	22	16.7
Retained losses		(25.8)
Equity attributable to owners of parent		320.2
Non-controlling interests	26	13.4
Total equity		333.6
Total liabilities and equity		384.2

Unaudited consolidated statement of changes in equity

for the period from incorporation on 16 December 2014 to 30 June 2015

	Attributable to the equity holders of the Parent						
	Share capital €'m	Share premium €'m	Other reserves €'m	Retained earnings €'m	Total €'m	Non-controlling interests €'m	Total equity €'m
At incorporation							
Comprehensive income:							
Loss for the period	—	—	—	(25.8)	(25.8)	(0.8)	(26.6)
Other comprehensive losses	—	—	(1.4)	—	(1.4)	—	(1.4)
Total comprehensive losses for the period	—	—	(1.4)	(25.8)	(27.2)	(0.8)	(28.0)
Issue of shares on admission to the ESM	—	330.0	—	—	330.0	—	330.0
Issue of shares to BPI as consideration for BPI Investment Transfers (note 9)	—	7.6	—	—	7.6	—	7.6
Issue costs (note 6)	—	(8.3)	—	—	(8.3)	—	(8.3)
Receipt of call option on Viamet from BPI for nil consideration (note 9)	—	—	1.1	—	1.1	—	1.1
Equity settled share-based payments (note 24)	—	—	17.0	—	17.0	—	17.0
Subsidiary acquisitions	—	—	—	—	—	14.2	14.2
Total transactions with shareholders	—	329.3	18.1	—	347.4	14.2	361.6
At 30 June 2015	—	329.3	16.7	(25.8)	320.2	13.4	333.6

Unaudited consolidated statement of cash flows

for the period from incorporation on 16 December 2014 to 30 June 2015

	Notes	30 June 2015 €'m
Cash flows from operating activities		
Loss for the period		(26.6)
Adjustments for:		
Depreciation of property, plant and equipment	15	0.1
Share of losses of equity accounted investments	10	2.1
Movement on inventory valued at fair value	16	1.1
Non-cash stock compensation	24	17.0
Finance costs	7	1.1
Taxation	8	(0.1)
		(5.3)
Increase in inventory		(1.6)
Increase in trade and other receivables		(1.5)
Increase in trade and other payables		3.2
Net cash used in operating activities		(5.2)
Cash flows from investment activities		
Investments in associates		(86.6)
Acquisition of subsidiary, net of cash acquired		(21.8)
Purchases of available-for-sale investments		(43.2)
Purchase of property, plant and equipment	15	(0.1)
Net cash used in investing activities		(151.7)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	21	330.0
Transaction costs relating to issuance of ordinary shares	6	(8.3)
Net cash from financing activities		321.7
Net increase in cash and cash equivalents		164.8
Cash and cash equivalents at beginning of period		—
Exchange losses on cash and cash equivalents		(1.1)
Cash and cash equivalents at end of period		163.7

Notes to the consolidated interim financial statements

for the period from incorporation on 16 December 2014 to 30 June 2015

1. General information and basis of preparation

Malin Corporation plc ("the Company") is a newly established, Irish incorporated public limited company.

The Company was incorporated on 16 December 2014, as Malin Corporation Limited and re-registered as a public limited company on 12 February 2015. On 25 March 2015, Malin Corporation plc was admitted to trading on the Enterprise Securities Market ("ESM") of the Irish Stock Exchange (the "Admission").

Basis of accounting

The unaudited consolidated interim financial statements (the "interim financial statements") include the financial statements of Malin and all of its subsidiary undertakings (together referred to as "the Group" or "Malin"). These interim financial statements have been prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS") and IFRIC interpretations.

The interim financial statements have been prepared by Malin in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"), as adopted by the European Union ("EU"). As permitted by that standard, the Group has prepared a full set of financial statements. Therefore, these interim financial statements have been prepared in accordance with IFRS as adopted by the EU, which are effective for accounting periods beginning after 16 December 2014. As the Company was incorporated on 16 December 2014, there is no comparative financial information for the statement of financial position, the performance statements and related notes.

Functional and presentation currency

These interim financial statements are presented in euro, rounded to the nearest million (€'m) unless otherwise stated. Euro is the functional currency of the parent company and also the presentation currency for the Group's financial reporting. The interim financial statements are prepared under the historical cost basis, as modified by the measurement at fair value of share-based payments and certain financial instruments.

Use of judgements and estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ materially from these estimates. In preparing these interim financial statements, the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty have been described in the note 3 of the interim financial statements.

2. Significant accounting policies

Going concern

The Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to continue to prepare the interim financial statements on a going concern basis.

The accounting policies applied in the preparation of the interim financial statements are set out below. These policies have been applied consistently by the Group's subsidiaries and associates for the period presented in the interim financial statements.

Notes
continued

2. Significant accounting policies (continued)

New standards

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 30 June 2015, and have not been applied in preparing these interim financial statements. The items that may have relevance to the Group are as follows:

- Annual Improvements to IFRSs 2010-2012 cycle *(effective date – 1 February 2015)*
- Annual Improvements to IFRSs 2012-2014 cycle *(effective date – 1 January 2016)*[1]
- IAS 1 (amended) – Presentation of financial statements *(effective date – 1 January 2016)*[1]
- IAS 16 and IAS 38 (amended) – Property, Plant and Equipment and Intangible Assets *(effective date 1 January 2016)*[1]
- IAS 27 (amended) – Separate financial statements *(effective date – 1 January 2016)*[1]
- IFRS 9 – Financial Instruments *(effective date – 1 January 2018)*[1]
- IFRS 11 (amended) – Accounting for acquisitions of interests in Joint Operations *(effective date – 1 January 2016)*[1]
- IFRS 15 – Revenue from contracts with customers *(effective date 1 January 2018)*[1]
- Amendments to IAS 28 and IFRS 10 *(effective date 1 January 2016)*[1]
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the consolidation exception *(effective date 1 January 2016)*[1]

1 Not EU endorsed at the time of approval of these financial statements

The Group is in the process of assessing the impact of the new standards and interpretation on its financial reporting.

Basis of consolidation

The consolidated interim financial statements include the interim financial statements of the Company and its subsidiaries and associates for the period ended 30 June 2015.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

Non-controlling interests ("NCI") represent the portion of the equity (or net assets) of a subsidiary not attributable, either directly or indirectly, to the Group and are presented separately in the consolidated income statement ("income statement") and within equity in the consolidated statement of financial position, distinguished from the Company's shareholders' equity.

In a business combination, NCI is measured at its proportionate share of the recognised amount of the subsidiary's identifiable net assets at the acquisition date. NCI is allocated its share of profit or loss and its share of each component of other comprehensive income and other reserves included in equity, post-acquisition.

Transactions eliminated on consolidation

Intra-group balances and transactions, income and expenses, and any unrealised gains or losses, arising from such transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment in the Group's interest in the entity.

Notes
continued

2. Significant accounting policies (continued)

Associates

Associates are entities over which the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operational policy decisions of an entity, but is not control or joint control over those policies. Significant influence generally accompanies a shareholding of between 20% and 50% of voting rights.

Investments in associates are accounted for using the equity method of accounting, from the date significant influence is deemed to exist, and are initially recognised at cost.

Under the equity method of accounting, the Group's share of the post-acquisition profits and losses of associates is recognised in the income statement and its share of post-acquisition movements in certain reserves is recognised directly in other comprehensive income. The cumulative post-acquisition share of profits and losses are adjusted against the cost of the investment in associates on the statement of financial position, less any impairment in value. If the Group's share of losses exceeds the carrying amount of an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Revenue recognition

Revenue represents the fair value of the consideration receivable for the sale of goods to external customers net of value added tax, rebates and discounts. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefit will flow to the entity, and when specific criteria have been met for each of the Group's activities.

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and when the amount of revenue and costs incurred can be measured reliably. This generally arises on delivery or in accordance with specific terms and conditions agreed with individual customers. Sales returns and discounts are recorded in the same period as the original revenue.

Segment reporting

Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Group is organised, reviewed and analysed internally by the Chief Operating Decision Maker in a single operating segment structure. The Chief Operating Decision Maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company.

Foreign currency translation

Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Currency translation differences on monetary assets and liabilities are taken to the income statement except when cash flow or net investment hedge accounting is applied. Currency translation differences, arising from monetary items which provide an effective hedge for a net investment in a foreign operation, are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Notes
continued

2. Significant accounting policies (continued)

Group companies
Results and cash flows of subsidiaries and associates with non-euro functional currencies have been translated into euro at average exchange rates for the reporting period, and the related statements of financial position have been translated at the rates of exchange ruling at the statement of financial position date.

Adjustments arising on translation of the results and net assets of non-euro subsidiaries and associates are recognised in a separate translation reserve within equity. All other translation differences are taken to the income statement.

Goodwill and fair value adjustments arising on acquisition of a foreign subsidiary or associate are regarded as assets and liabilities of the foreign operation and are translated accordingly.

The principal exchange rates used for the translation of results, cash flows and statements of financial position into euro were as follows:

Euro 1 =	Average - Period to 30 June 2015	Period end - 30 June 2015
US Dollar	1.125	1.119
Pound Sterling	0.737	0.711
South African Rand	13.380	13.642

Company Establishment Costs
Malin has adopted an income statement format which seeks to highlight items that are directly attributable to the formation and establishment of the Company ("Company Establishment Costs"). These items include the cost of the formation, structuring, admission and placing of the Ordinary Shares of Malin on the ESM of the Irish Stock Exchange ("the Placing"), the transaction costs of the initial acquisitions and investments that are recognised in the income statement and the non-cash share-based payment charges associated with the equity granted to the founder of Malin (Brandon Point Industries, ("BPI", "the Founder")) in conjunction with this initial formation and structuring that is not subject to a vesting period. Judgement is used by the Group in assessing the particular items, which by virtue of and nature, should be presented in the income statement and disclosed in the related notes as Company Establishment Costs.

Business combinations
Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. For each business combination, where a non-controlling interest arises, the non-controlling interest in the acquiree is measured at the proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

If a business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through the income statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date and is included in the cost of the acquisition.

Notes
continued

2. Significant accounting policies (continued)

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary or associate and the proportionate share of the acquiree's identifiable net assets associated with NCI, at the date of acquisition.

Goodwill on the acquisition of a subsidiary is included with intangible assets and allocated from the acquisition date to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the business combination. Goodwill may be allocated to CGUs in both the acquired business and in the existing business.

Goodwill associated with the acquisition of an associate is included within the investment in associate.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised and is reviewed at each reporting date to determine whether there is any indicator of impairment. If any such indicator exists, then the recoverable amount of the cash-generating unit to which the goodwill relates is estimated. Goodwill is tested annually for impairment by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed following recognition.

Intangible assets (other than goodwill)
Purchased in-process research and development ("IPR&D") acquired separately or as part of a business combination represents the time and expertise invested in developing a particular technology. Purchased IPR&D is capitalised if it is separately identifiable and measurable.

Other intangible assets acquired in the course of a business combination are capitalised at cost, being the fair value as at the date of acquisition.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of definite-lived intangible assets (the Group does not currently have any indefinite-lived intangible assets other than goodwill) are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Intangible assets are amortised on a straight-line basis. In general, definite-lived intangible assets are amortised over periods ranging from 1 to 5 years, depending on the nature of the intangible asset.

	Annual rate 30 June 2015
Other intangibles	20%

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated to write off the book value of each item of property, plant and equipment on a straight-line basis over its estimated useful life.

	Annual rate 30 June 2015
Buildings	3%
Technical installations and other tangible assets	2% - 25%

Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each financial year-end.

Repairs and maintenance expenditure is charged to the income statement during the financial period in which it is incurred.

The carrying amounts of items of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Notes
continued

2. Significant accounting policies (continued)

Available-for-sale financial assets
The Group's available-for-sale investments represent equity shareholdings in investee companies in which Malin does not have control, joint control or significant influence and therefore accounts for its investment in these companies as available-for-sale.

They are included in non-current assets unless management intends to dispose of the available-for-sale financial asset within 12 months of the reporting date. They are initially recognised at fair value plus transaction costs and are subsequently adjusted to fair value at each reporting date. Unrealised gains and losses arising from changes in the fair value of the available-for-sale assets are recognised in other comprehensive income. When such available-for-sale assets are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses.

As the Group's available-for-sale financial assets are not publicly quoted, fair value is established using valuation techniques.

Inventories
Inventories are measured at the lower of cost and net realisable value.

Cost is based on the first-in, first-out principle and includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Materials held for use in the production of inventories are not written down below cost if the finished goods, in which they will be incorporated, are expected to be sold at or above cost.

Provision is made, where necessary, for slow moving, obsolete and defective inventories.

Trade and other receivables
Trade receivables are carried at original invoice amount less an allowance for potentially uncollectible debts.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivable is impaired. The amount of any provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The impairment charge is recognised in the income statement.

Trade and other payables
Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-dated nature of these liabilities.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of 3 months or less.

For the purpose of the Group's cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdrafts.

Interest-bearing loans and borrowings
All loans and borrowings are initially recorded at fair value, net of transaction costs incurred. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Notes
continued

2. Significant accounting policies (continued)

Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax represents the expected tax payable or recoverable on the taxable profit for the period using tax rates enacted or substantively enacted at the statement of financial position date and taking into account any adjustments stemming from prior periods.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax legislation is subject to interpretation and establishes provision, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date which is defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are not subject to discounting and are measured using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Share capital

Issued Ordinary Shares and Issued A Ordinary Shares (“together “Total Issued Share Capital”) are classified as equity. Incremental costs directly attributable to the issue of new Ordinary Shares are shown in equity as a deduction, net of tax, from the proceeds.

Share-based payments

The fair value of the services received in exchange for the grant of equity is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted including any market performance conditions (for example, a total shareholder return target); and the impact of any non-vesting conditions (for example, the requirement for employees to hold shares for a specific period of time). It excludes the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Notes
continued

3. Critical accounting estimates and judgements
The critical accounting estimates and judgements described below reflect the critical estimates and judgements made by management in the period since incorporation. It is anticipated that additional critical estimates and judgements will arise as the business develops, including critical estimates and judgements made within the investee companies. Management evaluate estimates and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions
In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

i) Share based payments – fair value of Founder Equity granted
Refer to note 21 for details of the shares issued to BPI in conjunction with the formation and Admission of Malin ("Founder Shares").

The Founder Ordinary Shares that represented 4% of the Total Issued Share Capital of the Company ("Founder Ordinary Shares") at the grant date are not subject to any performance conditions so the fair value of the shares on the date of grant was determined to be equal to the placing price of Malin's shares on admission to the ESM of €10.00 per share ("the Placing Price").

The Founder A Ordinary Shares that represented 8.5% of the Total Issued Share Capital ("Founder A Ordinary Shares") at the grant date are convertible into Ordinary Shares in 2 separate tranches. The first tranche of 6% is convertible at any time after the third year anniversary of Admission on the achievement by the Company of a Compounded Annual Growth Rate ("CAGR") on Total Shareholder Return ("TSR") of equal to or greater than 11%. The second tranche of 2.5% is convertible at any time after the fifth year anniversary of Admission on the achievement by the Company of a CAGR on TSR of equal to or greater than 17.5%. The fair value of the Founder A Ordinary Shares has been arrived at by applying a Monte Carlo simulation technique. Monte Carlo simulation is a valuation technique used to approximate a value for an award that includes a market condition such as TSR. In the case of the Founder A Ordinary Shares, the Monte Carlo model calculates fair value based on a large number of stochastic projections of the TSRs of Malin based on a comparison with selected peers.

The key assumptions for the Monte Carlo model and Malin's determinations of these are set out below.

Expected life of the Founder Shares
The terms of the Founder A Ordinary Shares are not subject to a maximum life or lapse date. However, the nature of CAGR targets are such that it becomes increasingly difficult to achieve the targets as time progresses beyond the first possible vesting dates (i.e. the 3 year and 5 year anniversaries of the grant date). In order to estimate an expected life, the fair value model was tested to assess the fair value ranges using different expected life estimates to identify the period beyond which the impact on the grant date fair value was not significant. Based on this analysis, a 9 year expected life for both tranches of shares was identified as a reasonable time frame over which to assess the impacts of reaching or not reaching the threshold TSR targets for each tranche of the Founder Share awards.

Share price volatility
Historic volatility should be calculated on the date of grant over a period consistent with the life of the Founder A Ordinary Shares. The expected volatility should reflect the amount by which Malin's share price is expected to fluctuate over the expected lifetime of the option or share award. Volatility is expressed as an annualised figure. In the absence of implied volatility data from traded awards with similar features the initial consideration is the historical volatility of Malin's share price over a period commensurate with the projection period of the award. As Malin's share price has only been stock-exchange quoted since 25 March 2015, TSR volatility estimates are based on the share prices of comparable companies that have been quoted over a time period commensurate with the expected life of the Founder A Ordinary Share awards. Sample volatility assumptions have been calculated based on historic TSR and share price data up to the grant dates. The number of years of historic data used is 9 years. The volatility displayed by these peer companies in this timeframe is 35%. This volatility was also used for Malin's Founder A Ordinary Shares fair value as no adjustment to this peer volatility was deemed necessary.

Notes
continued

3. Critical accounting estimates and judgements (continued)

Risk-free rate of interest
The risk-free interest rate has been set as the yield on appropriate benchmarks over the term of the award being valued. The risk free rates for Malin used in the model have been derived from the Euro swap rate curve for the expected life of the awards as at the measurement date. The risk-free interest rate used was 0.54%.

Dividends
At the grant date, there was no immediate expectation of dividends being paid by Malin and the selected peer companies for the volatility assumption have not paid dividends to shareholders. Therefore, a dividend yield of zero has been assumed in the estimates of the fair value of the Founder A Ordinary Shares.

ii) Fair value of financial instruments
Available-for-sale investments
The Group's available-for-sale assets are not traded in active markets and therefore the initial fair value attributed to these assets was based on the cost of the investment. All of the available-for-sale investments were acquired by the Group in the period from incorporation to 30 June 2015 and the subscription price paid for the investments represented the market price at the acquisition date. Management have determined that given the recent timing of these investments and based on an assessment of the market and company performance in the interim period, the initial investment price is still a fair approximation of fair value.

Derivative financial instruments
Malin has entered into call and put investment options and contingent investment commitments which could result in Malin making further investments in a number of its investee companies over time. These contracts include:

- A 33% portion of a $15.0 million call option with Viamet Pharmaceuticals Holdings LLC ("Viamet") held in a company controlled by Malin
- A $10.0 million put option with Melinta Therapeutics, Inc. ("Melinta")
- A €10.0 million contingent investment commitment with An2H Discovery Limited ("An2H")
- A call option of up to $25.0 million with Serenus Biotherapeutics ("Serenus")
- A $20.7 million call option with 3D4Medical Limited ("3D4Medical")

The derivative financial instruments are not traded in an active market and therefore fair value is determined by using valuation techniques. Management have assessed the characteristics of each of these contracts to determine the most appropriate basis for determining the fair value of these derivatives on initial recognition. For further information on the basis, estimates and assumptions used for each derivative contract, please refer to note 13.

In subsequently measuring these derivatives at fair value, management take account of the fact that the fair value of the underlying shares is not observable.

iii) Business combinations - fair value of identifiable assets
Business combinations are accounted for using the acquisition method which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition. The application of this method requires certain estimates and assumptions particularly concerning the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition.

For intangible assets acquired, the Group bases valuations on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flows expected to be generated from the purchased intangible asset using risk adjusted discount rates and revenue forecasts as appropriate. The period of expected cash flows is based on the expected useful life of the intangible asset acquired.

Notes
continued

3. Critical accounting estimates and judgements (continued)
The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of the Altan Pharma Limited ("Altan") business combination given the complexity and timing of closure of this transaction. Any amendments to these fair values within the 12 month timeframe from the date of acquisition will be disclosable in the financial statements for the period in which this timeframe ends as stipulated by IFRS 3 "Business Combinations" ("IFRS 3").

b) Critical judgements in applying the entity's accounting policies
i) Accounting for investee companies
The determination of the accounting for investee companies on initial recognition requires an assessment of the level of control or significant influence that the Group can exercise over the investee companies. Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is generally, but not always, accompanied with a shareholding of greater than 50% of the voting rights. Associates are companies over which the Group can exercise significant influence but not control. Significant influence is the power to participate in the financial and operational policy decisions of an entity, but is not control or joint control over those policies. Significant influence generally accompanies a shareholding of between 20% and 50% of voting rights. Where the Group does not control or cannot exercise significant influence over an investee company, the Group's interest in that entity is recorded as an available-for-sale investment on initial recognition.

Management have evaluated the characteristics of the Group's relationship with each investee company, including an assessment of the contractual and economic rights with each company to determine the most appropriate accounting treatment in accordance with the guidance in IFRS.

Management has determined that Malin has control over Serenus even though it holds less than 50% of the voting rights as the Group controls the board of Serenus and a number of critical control functions of the business. On this basis, it was determined that Serenus is a subsidiary of Malin.

Malin has determined that it has significant influence over Viamet, Novan Inc. ("Novan"), Kymab Limited ("Kymab") and Emba Medical Limited ("Emba Medical") even though it has a shareholding of less than 20% of the equity of these companies. Malin has appropriate proportionate representation on the board of these companies to exercise significant influence over the financial and operational policies of the companies. This representation as well as certain contractual protective provisions has resulted in Malin accounting for these companies as associate companies using the equity method of accounting.

4. Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Group's CODM has been identified as the Executive Directors of the Company.

The Group's activities are organised, reviewed and analysed internally by the CODM, in a single operating segment structure. Management will continue to evaluate this as the Group evolves.

5. Operating expenses (excluding Company Establishment Costs)
The operating expenses (excluding the once-off Company Establishment Costs) that arose during the period to 30 June 2015 are analysed below:

	Cost of sales expenses €'m	Research and development expenses €'m	General and administrative expenses €'m	Total €'m
Malin subsidiaries	—	—	(2.2)	(2.2)
Investee company subsidiaries	(1.9)	(0.5)	(1.3)	(3.7)
Business integration costs	—	—	(1.4)	(1.4)
Founder Equity share-based payment charges (note 24)	—	—	(1.6)	(1.6)
At 30 June 2015	(1.9)	(0.5)	(6.5)	(8.9)

Notes
continued

6. Company Establishment Costs

The Company incurred costs in relation to the formation and structuring of the Company, the placing of the Company's shares and Admission on to the ESM, and the initial 7 acquisitions and investments of the Company (the "Company Establishment Transaction Costs") of €12.5 million (including non-recoverable VAT of €0.9 million). The costs have been recognised in the interim financial statements based on management's estimates of the portion of the total amount of the costs incurred attributable to: (i) investments in associates and available-for-sale investments; (ii) the acquisition of subsidiary companies; (iii) the issuance of the Company's Ordinary Shares and; (iv) general corporate formation and structuring.

In accordance with IFRS, transaction costs incurred in relation to the acquisition of subsidiaries and general corporate formation and structuring should be recognised in the income statement, while acquisition costs incurred relating to investing in associates or available-for-sale investments are included in the initial measurement of the investment. The proceeds of equity issuances are recorded net of transaction costs incurred.

The breakdown of the Company Establishment Transaction Costs of €12.5 million between these components is set out below:

	30 June 2015 €'m
Associate investments and available-for-sale investments	2.5
Company formation and acquisition of subsidiaries costs (income statement)	1.7
Shareholders' equity (deduction from share premium)	8.3
Company Establishment Transaction Costs	12.5

Consolidated income statement presentation

Malin has adopted an income statement format which seeks to highlight items that are directly attributable to the formation and establishment of the Company. In addition to the company formation and acquisition of subsidiaries costs set out above, a share based payment charge of €15.4 million related to the Founder Shares issued to BPI, that are not subject to a vesting period, in conjunction with the formation and Admission of Malin, is presented within Company Establishment Costs on the face of the income statement. Further information on the equity granted and the share-based payment charges associated with the Founder Equity is set out in note 21 and note 24 respectively.

	30 June 2015 €'m
Company formation and acquisition of subsidiaries costs	1.7
Founder Equity - share-based payment charges	15.4
Total Company Establishment Costs	17.1

7. Finance costs

Finance costs for the period of €1.1 million related to unrealised foreign exchange losses.

Notes
continued

8. Income tax

	30 June 2015 €'m
Current tax expense	(0.2)
Deferred tax benefit	0.3
Income tax benefit	0.1

The amount for the period can be reconciled to the profit per the statement of comprehensive income as follows:

	30 June 2015 €'m
Net loss before tax	(26.7)
Tax at the Irish corporation tax rate of 12.5%	(3.3)
Expenses not deductible for tax purposes	1.2
Share-based payments expense	2.1
Other	0.1
Income tax benefit on net loss	0.1

The Group recognised a deferred tax asset of €1.0 million on the acquisition of Altan, related to the deferred tax benefits on property, plant and equipment purchases made by Altan (formerly the GES Group). The Group also recognised a deferred tax liability of €1.4 million related to the fair value step up of the inventory as part of the acquisition accounting. €0.3 million of this deferred tax balance was released to the income statement between the acquisition date, 10 June 2015, and 30 June 2015.

Deferred tax assets have not been recognised in respect of the operating losses of the Group because it is not probable that future operating profits will be available against which the Group can use these operating losses.

9. BPI Investment Transfers

BPI, along with its principals and shareholders, funded initial investments in 3 companies whose businesses are aligned with the business strategy of Malin. These investments were transferred to Malin, along with all related investor rights, obligations and commitments, on 2 February 2015 (the "BPI Investment Transfers"). The investments were transferred to Malin in each case at their initial transaction date value (i.e. the consideration paid by BPI, its principals and shareholders) totalling €7.6 million ($8.6 million) which was also deemed to be the fair value of the investments at the date of transfer. Malin issued 32,797 B Ordinary Shares to BPI, its principals and shareholders, as consideration for the investments transferred. The B Ordinary Shares converted to 764,145 Ordinary Shares of Malin at a conversion ratio of approximately 23.2992 Ordinary Shares for each B Ordinary Share held, based on the total fair value of the BPI Investment Transfer of €7.6 million ($8.6 million) and the Placing Price of €10.00 per share.

BPI transferred its 33% portion of a $15.0 million (approximately €13.3 million) call option with Viamet to Malin as part of the investor rights transferred to Malin. The $15.0 million option is held by a company controlled by Malin. The full amount of the consideration paid by Malin to BPI of €4.4 million ($5.0 million) for the Viamet transfer (included in the €7.6 million total above) was attributed to that equity interest transferred. Therefore the fair value of the call option transferred is a contribution from BPI to Malin. The fair value of the option transferred on initial recognition has been estimated at $1.3 million (€1.1 million). The option has been recognised as a derivative financial asset with a corresponding increase in equity to reflect this contribution from BPI in its capacity as founder of Malin. For further information on the call option, please refer to note 13.

Notes
continued

10. Investments in associates

Malin has 6 associates all of which are equity accounted and which Malin consider to be material.

	30 June 2015 €'m
At incorporation	—
Consideration for associates acquired during the period	84.3
Net consideration attributed to financial derivatives related to associates (note 13)	(0.7)
Transaction costs	2.3
Share of net losses of associates:	
Income statement	(2.1)
Other comprehensive income – currency translation	(0.4)
At 30 June 2015	83.4

Novan

Novan is a clinical stage company focused on the discovery and development of novel nitric oxide therapies. Novan's leading proprietary platform technology, NITRICIL™, solves the previous delivery issues with nitric oxide by stably storing the gaseous species in macromolecules, resulting in a diverse pipeline of nitric oxide-releasing new chemical entities. The NITRICIL™ platform technology enables druggable nitric oxide in a variety of dosage forms.

On 26 March 2015, Malin completed its subscription for approximately 17% of the fully diluted share capital of Novan for cash consideration of €27.3 million ($30.0 million). Although Malin holds approximately 17% of the equity of Novan, it has accounted for its stake in Novan as an investment in associate as Malin can exercise significant influence but not control over Novan as a result of its board representation. Malin has 2 designated directors on the board of Novan. In addition, another Malin board member, Robert Ingram, sits on the board. The Novan board consists of 8 directors in total.

Viamet

Viamet is a drug discovery company focused on the development and commercialisation of novel small molecule drugs that target metalloenzymes via a proprietary platform called Metallophile Technology. Malin acquired an approximate 3% interest in Viamet on 2 February 2015 for €4.4 million ($5.0 million) for share consideration, as part of the BPI Investment Transfers, and invested a further €14.2 million ($15.0 million) in cash on 14 April 2015 to bring its total equity stake in Viamet to approximately 12%. Although Malin holds approximately 12% of Viamet, it has accounted for its stake in Viamet as an investment in associate as Malin can exercise significant influence but not control over Viamet as a result of its board representation. Malin has 2 designated directors on the board of Viamet. In addition, another Malin board member, Robert Ingram, and a Malin advisory partner, Andrew von Eschenbach, also sit on the Viamet Board. The board of Viamet consists of 10 directors in total.

As explained in note 9, BPI transferred its 33% portion of a $15.0 million (approximately €13.3 million) call option with Viamet to Malin as part of the investor rights transferred to Malin in conjunction with the BPI Investment Transfers. The call option entitles the holders to invest a further $15.0 million in Viamet at the same subscription price as the initial investments in the period through the release of the Phase 2b interim clinical trial results for Viamet's lead compound, VT-1161.

Kymab

Kymab is a monoclonal antibody ("mAbs") therapeutic discovery company based in Cambridge, U.K. with a novel platform for the rapid generation of fully human mAbs.

On 5 May 2015, Malin completed an €18.0 million cash investment in Kymab acquiring approximately 12% of the fully diluted equity of the company. Although Malin holds 12% of the share capital of Kymab, it will account for its investment in Kymab as an investment in associate as Malin can exercise significant influence but not control over Kymab as a result of its board representation. Malin has 2 directors on the board of Kymab. The Kymab board consists of 9 directors in total.

Notes
continued

10. Investments in associates (continued)

3D4Medical

3D4Medical is a technology company that specialises in the development of medical, educational and health & fitness apps for professional reference as well as student and patient education.

On 30 June 2015, Malin acquired 38% of the fully diluted ordinary share capital of 3D4Medical for consideration of €14.7 million ($16.4 million). In addition, Malin has a call option, exercisable solely at Malin's discretion, at any time between 12 and 24 months from 30 June 2015 at a premium of 100% over the subscription price per share paid on 30 June 2015 to subscribe for such additional number of shares to increase Malin's percentage equity shareholding to 50% on a fully diluted basis. Since Malin's option is not currently exercisable, the option is not substantive at this time and is not relevant to the assessment of Malin's control over 3D4Medical.

The board of 3D4Medical is comprised of 7 directors of which Malin has the right to designate 3. Malin will account for its investment in 3D4Medical as an investment in associate as Malin can exercise significant influence but not control over 3D4Medical.

Malin's call option is a derivative financial asset and is initially recognised and subsequently measured at fair value. The fair value of the call option at 30 June 2015 was €0.7 million ($0.8 million).

An2H

An2H is a drug discovery company focused on designing novel small molecule therapeutics that target key proteins within the Ubiquitin Proteasome Pathway System ("UPS"). Currently, An2H is testing a series of compounds that could be ready for Investigational New Drug ("IND") filing in late 2017.

On 27 March 2015, Malin subscribed €4.2 million for 25% of the fully diluted ordinary share capital of An2H, with a commitment to invest a further €10.0 million over a period of 2 years, subject to the achievement of certain drug discovery milestones, which would give Malin an 85% equity stake in An2H. Malin accounts for its 25% stake in An2H as an investment in associate as Malin can exercise significant influence but not control over An2H. Since Malin's option to acquire a further 60% of An2H is not currently exercisable, the option is not substantive and is not relevant to the assessment of Malin's control over An2H.

The board of An2H is comprised of 5 directors of which Malin has the right to designate 1. Malin will account for its investment in An2H as an investment in associate as Malin can exercise significant influence but not control over An2H.

The €10.0 million contingent investment commitment is a derivative financial liability which is required to be recognised and subsequently measured at fair value. It has been determined that the fair value of this contingent investment commitment was close to €nil when the investment closed and at 30 June 2015.

Emba Medical

Emba Medical, an Irish headquartered medical device company, has developed a novel and differentiated vascular embolisation system that has the potential to deliver and target a wide range of vessel sizes. Malin acquired an approximate 10% interest in Emba Medical on 2 February 2015 for share consideration of €1.0 million ($1.1 million), as part of the BPI Investment Transfers, and invested a further €0.5 million ($0.6 million) in cash on 16 April 2015 to bring its total equity stake in Emba Medical to 13%.

Although Malin holds 13% of Emba Medical, it will account for its stake in Emba Medical as an investment in associate as Malin can exercise significant influence but not control over Emba Medical as a result of its board representation. Malin has 1 designated director on the board of Emba Medical which consists of 3 directors in total.

Notes
continued

10. Investments in associates (continued)

The Group's share of the results of associates, all of which are unlisted, and its share of their net assets have been set out below. The summarised financial information for each of Malin's 6 associate companies is based on their respective financial statements modified for fair value adjustments on acquisition:

	Novan €'m	Viamet €'m	Kymab €'m	3D4Medical €'m	An2H €'m	EMBA Medical €'m	Total €'m
Total comprehensive loss for the period from Malin's investment to 30 June 2015:							
Losses for the period from Malin's investment to 30 June 2015	(0.8)	(0.7)	(0.3)	-	(0.2)	(0.1)	(2.1)
Other comprehensive income/(losses) for the period from Malin's investment to 30 June 2015[1]	(0.5)	(0.6)	0.7	-	-	-	(0.4)
Total comprehensive losses for the period from Malin's investment to 30 June 2015	(1.3)	(1.3)	0.4	-	(0.2)	(0.1)	(2.5)
Statement of financial position as at 30 June 2015:							
Assets	31.0	41.4	47.2	16.5	3.4	0.8	140.3
Liabilities	(2.3)	(2.8)	(9.3)	(6.1)	(0.1)	(0.6)	(21.2)
Net assets at 30 June 2015	28.7	38.6	37.9	10.4	3.3	0.2	119.1
Malin's share of net assets[2]	4.9	4.6	4.5	4.0	0.8	-	18.8
Malin's ownership interest at 30 June 2015 (%)	17%	12%	12%	38%	25%	13%	
Malin's interest in the investee at incorporation	-	-	-	-	-	-	-
Consideration for associates acquired during the period	27.3	18.6	18.0	14.7	4.2	1.5	84.3
Net consideration attributed to financial derivatives	-	-	-	(0.7)	-	-	(0.7)
Transaction costs	0.6	0.6	0.4	0.3	0.3	0.1	2.3
Total comprehensive income/(loss) attributable to the Group	(1.3)	(1.3)	0.4	-	(0.2)	(0.1)	(2.5)
Carrying amount of investee at 30 June 2015	26.6	17.9	18.8	14.3	4.3	1.5	83.4

1 Relates to foreign currency translation adjustments.
2 Malin's share of the net assets of its associate companies relates to the recognised assets of these companies only. It does not include goodwill or IPR&D attributed to the company by Malin on initial recognition of the investee company. In addition, the net assets of the associate companies do not include any IPR&D value since initial recognition by Malin.

Notes
continued

11 Business Combinations

The Group acquired 3 subsidiaries during the period to 30 June 2015; Altan, Serenus and Emba Neuro Limited ("Emba Neuro"). The following table summarises the consideration paid for these 3 companies, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date as well as the goodwill arising from these business combinations.

	Altan €'m	Serenus €'m	Emba Neuro €'m	Total €'m
Provisional fair value of net assets acquired:				
Property, plant and equipment	13.3	—	—	13.3
Intangible assets	4.9	—	0.1	5.0
Inventories	14.7	0.1	—	14.8
Trade and other receivables	13.7	—	—	13.7
Cash and cash equivalents	13.5	15.8	2.3	31.6
Deferred tax asset	0.7	—	—	0.7
Loans and borrowings	(32.8)	—	(0.5)	(33.3)
Current tax liability	(4.2)	—	—	(4.2)
Deferred tax liabilities	(1.8)	—	—	(1.8)
Other creditors	(0.1)	(2.2)	—	(2.3)
Trade and other payables	(3.7)	(0.2)	(0.1)	(4.0)
Net assets acquired	18.2	13.5	1.8	33.5
Malin's % shareholding	65%	48%	54%	
Malin's % of fair value of net assets	11.9	6.4	1.0	19.3
Goodwill (note 14)	22.6	10.2	1.3	34.1
Total consideration (enterprise value)	34.5	16.6	2.3	53.4
Satisfied by:				
Cash consideration	34.5	16.6	2.3	53.4
Non-controlling interest	6.3	7.1	0.8	14.2

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of the business combinations above given the complexity and the timing of closure of these transactions. Any amendments to these fair values within the 12 month timeframe from the date of acquisition will be disclosable in the financial statements for the period in which this timeframe ends as stipulated by IFRS 3.

In each of the above business combinations the non-controlling interest in the acquiree has been measured at the proportionate share of the acquiree's identifiable net assets.

Costs of €1.7 million related to the acquisitions were expensed to general and administration expenses, of which €0.3 million is presented within Company Establishment Costs, for the period to 30 June 2015.

Notes
continued

11 Business Combinations (continued)

Altan

On 10 June 2015, Malin completed the acquisition of 65% of the share capital of Altan, a specialty pharmaceutical company. On the same date, Altan acquired 100% control of the GES Group, a privately held group of Spanish injectable drug companies, focused on the generic pain and anti-infective segments of the injectable drugs market for consideration of €73.5 million. Altan paid GES €87.5 million in total, including €14.0 million of consideration for excess cash and cash equivalents and working capital amounts retained within the GES Group.

Based on the provisional fair value determination of the acquisition date net assets, goodwill of €22.6 million has been recognised. Given the complexity and timing of the closure of the Altan transaction, management have not completed their full analysis of the components of fair value of the business and the assignment of these fair values to identifiable assets and liabilities. It is therefore likely that an incremental portion of the total fair value of the acquisition may be attributed to identifiable intangible assets or property, plant and equipment, thereby reducing the goodwill balance. The recognition of incremental identifiable intangible assets or property, plant and equipment would result in the recognition of an additional deferred tax liability.

The fair value of inventory included in the acquisition balance sheet was determined based on the current replacement cost of raw materials and the selling price less relevant deductions for work-in-progress and finished goods inventory.

Malin's fully diluted interest in Altan may decrease to 59% on a fully diluted basis if the full pool of available employee awards is granted.

The net cash outflow on the Altan acquisition during the period was as follows:

	30 June 2015 €'m
Cash flows from investing activities	
Cash consideration	(34.5)
Cash acquired	13.5
Net cash consideration	(21.0)

The impact of the Altan business combination during the period from acquisition to 30 June 2015 on the Group's income statement is set out in the following table:

	30 June 2015 €'m
Revenue	2.5
Cost of sales	(1.9)
Research and development	—
General and administration	(1.0)
Loss for the period	(0.4)

Notes
continued

11 Business Combinations (continued)

Serenus

On 22 May 2015, Malin completed the acquisition of approximately 48% of the issued share capital of Serenus, a speciality biopharmaceutical company specialising in in-licensing, registering, and commercialising U.S. Food and Drug Administration, European Medicines Agency and Japan's Pharmaceutical and Medical Devices Agency approved therapeutics to address unmet medical needs with high regional prevalence in the African market. Malin has the option to invest up to a further $25.0 million to acquire up to 76% of the share capital of Serenus. Malin controls the board of Serenus and a number of critical control functions of the business and on this basis, it was determined that Serenus is a subsidiary of Malin.

Goodwill of €10.2 million was recognised after the fair value determination of the acquisition date balance sheet. The goodwill arising on this business combination represents the highly skilled assembled Serenus management team and the experience and expertise of the founder of Serenus who will provide strategic oversight and management in growing Serenus.

Malin's $25.0 million call option in Serenus is a derivative equity instrument under IFRS. It is required to initially recognise the call option at fair value but as the instrument is accounted for in equity, it is not subsequently re-measured. It has been determined that the fair value of this option was close to €nil when the investment closed so no value was attributed to this derivative on that date.

The net cash outflow on the Serenus acquisition during the period was as follows:

	30 June 2015 €'m
Cash flows from investing activities	
Cash consideration	(16.6)
Cash acquired	15.8
Net cash consideration	(0.8)

The impact of the Serenus business combination during the period from acquisition to 30 June 2015 on the Group's income statement is set out in the following table:

	30 June 2015 €'m
Revenue	—
Cost of sales	—
Research and development	—
General and administration	(0.3)
Loss for the period	(0.3)

Notes
continued

11 Business Combinations (continued)

Emba Neuro

In December 2014, Emba Neuro was incorporated as a sister company to Emba Medical, for the purposes of developing the Emba technology for application in the neurovascular field. All shareholders of Emba Medical received a proportionate interest in Emba Neuro so BPI held approximately 10% of the equity of Emba Neuro. This interest transferred to Malin on 2 February 2015 as part of the BPI Investment Transfers at a fair value of €nil.

Malin's interest in Emba Neuro increased from 10% to 54% on 25 March 2015 when Malin invested €2.3 million ($2.5 million) in the company. On the basis of Malin's majority controlling shareholding and its representation on the board of directors, Emba Neuro has been deemed a subsidiary of Malin and the initial investment will be accounted for as a business combination under IFRS 3.

Goodwill of €1.3 million ($1.5 million) was recognised following the fair value determination of the acquisition date balance sheet. The goodwill arising on this business combination represents the skills and expertise of the founders allowing the company to successfully advance the development of the device.

The net cash outflow on the Emba Neuro acquisition during the period was as follows:

	30 June 2015 €'m
Cash flows from investing activities	
Cash consideration	(2.3)
Cash acquired	2.3
Net cash consideration	—

The impact of the Emba Neuro business combination during the period from acquisition to 30 June 2015 on the Group's income statement is set out in the following table:

	30 June 2015 €'m
Revenue	—
Cost of sales	—
Research and development	(0.5)
General and administration	—
Loss for the period	(0.5)

Notes
continued

12 Available-for-sale investments

	30 June 2015 €'m
At incorporation	—
Consideration paid for new investments acquired during the period	50.2
Estimate of the fair value of the derivative liability acquired	1.7
Transaction costs	0.6
Fair value movement recognised in other comprehensive income	—
Exchange differences recognised in other comprehensive income – currency translation	(0.4)
At 30 June 2015	52.1

The Group's non-current available for sale investments at 30 June 2015 consist of the following:

	30 June 2015 €'m
Unlisted securities	
Melinta	33.1
Xenex Disinfection Services LLC ("Xenex")	18.6
Jaan Health, Inc. ("Jaan Health")	0.4
Available-for-sale investments – non-current	52.1

Melinta

Melinta is Connecticut-based therapeutic company focused on saving lives threatened by the global public health crisis of bacterial infections through the development of novel antibiotics that provide new and better therapeutic solutions. Melinta is rapidly progressing its late-stage investigational antibiotic, delafloxacin, which is currently in Phase 3 development for acute bacterial skin and skin structure infections ("ABSSSI"). Delafloxacin has been designated a Qualified Infectious Disease Product ("QIDP") for both ABSSSI and community-acquired bacterial pneumonia by the U.S. Food and Drug Administration ("FDA").

Malin completed a €31.1 million ($35.0 million) cash investment in Melinta on 9 June 2015 to acquire approximately 11% of its equity. The fair market value of Malin's investment in Melinta at 30 June 2015 is €31.4 million.

Malin also committed to invest a further a $10.0 million (€8.9 million) at the same subscription price, which is callable by Melinta within 12 months. If this additional investment is completed, Malin would hold approximately 14% of the equity of Melinta.

The $10.0 million put option is a derivative financial liability. The fair value of this derivative was estimated at $1.9 million (€1.7 million) at the acquisition date (see note 13). Since Malin acquired its 11% interest in Melinta and the put option obliging it to invest a further $10.0 million on the same date, the total consideration paid of €31.1 million ($35.0 million) has been determined as being the net consideration for the fair value of the shares and the put option liability. Therefore, the available-for-sale investment has been initially recognised at fair value of €32.8 million. There was no change to the fair value of the investment, other than a foreign exchange gain of €0.2 million, between the acquisition date and 30 June 2015. Transaction costs related to this investment amounted to €0.1 million.

Notes
continued

12 Available-for-sale investments (continued)

Xenex

Xenex is a Texas-based disinfection technology company which is focused on disinfection in healthcare facilities, eliminating harmful bacteria, viruses and fungi which can cause hospital-acquired infections ("HAIs") in patients and staff. Xenex's primary product is a patented pulsed xenon UV room disinfection robot which is used for the advanced cleaning of healthcare and other facilities.

Malin acquired an approximate 1% interest in Xenex on 2 February 2015 by way of share consideration of €2.2 million ($2.5 million) as part of the BPI Investment Transfers and invested a further €16.5 million ($17.7 million) in cash on 2 April 2015 to bring its total equity stake in Xenex to approximately 10%. There was no change to the fair value of the investment, other than a foreign exchange loss of €0.6 million, between the acquisition date and 30 June 2015. Transaction costs related to this investment amounted to €0.5 million.

Jaan Health

On 30 June 2015, Malin completed a €0.4 million ($0.5 million) investment in cash to acquire 6.2% of the issued share capital of Jaan Health, a New York based healthcare mobile technology company dedicated to managing medication adherence. There was no change to the fair value of the investment, other than an immaterial foreign exchange gain, between the acquisition date and 30 June 2015. Transaction costs related to this investment were insignificant.

Fair value

Available-for-sale investments are fair valued at each reporting date. The Group's available-for-sale assets are not traded in active markets and therefore the initial fair value attributed to these assets was based on the cost of the investment. All of the available-for-sale investments were acquired by the Group in the period from incorporation to 30 June 2015 and the subscription price paid for the investments represented the market price at the acquisition date. This valuation is classified as a Level 2 valuation (note 25) as the acquisition resulting in an observable market price occurred in the previous 12 months. Management have determined that given the recent nature of these investments and based on an assessment of the market and company performance in the interim period, cost is still a fair approximation of fair value.

13 Derivative assets and liabilities

As at 30 June 2015, in addition to Malin's initial tranches of investments in its investee companies that it has completed, Malin had entered into call and put investment options and contingent investment commitments which could result in Malin making further investments in these companies over time. A description of each of these potential follow-on investment contracts is set out below.

	30 June 2015 €'m
Derivative financial assets:	
Viamet call option	1.1
3D4Medical call option	0.7
Serenus call option	—
	1.8
Derivative financial liability:	
Melinta put option	(1.7)
An2H investment commitment	—
	(1.7)
Net derivative financial asset position	0.1

Notes
continued

13 Derivative assets and liabilities (continued)

Viamet

BPI transferred its 33% portion of a $15.0 million (approximately €13.3 million) call option with Viamet to Malin as part of the investor rights transferred to Malin as part of the BPI Investment Transfers. The $15.0 million option is held by a company controlled by Malin. The full amount of the consideration paid by Malin to BPI of €4.4 million ($5.0 million) was determined to be attributable to the equity interest transferred so the fair value of the call option transferred as a contribution from BPI to Malin. The option has been recognised as a derivative financial asset with a corresponding increase in equity to reflect this contribution from BPI in its capacity as founder of Malin. The fair value of the call option on initial recognition and also at 30 June 2015 was $1.3 million (€1.1 million). There was no change to the fair value of the call option, other than a foreign exchange gain of €11k, between the acquisition date and 30 June 2015. A description of the significant unobservable inputs to the valuation using the Black Scholes model is set out below.

	30 June 2015 Assumptions
Significant unobservable input	
Exercise price of the option	$1.78
Expected life of option	1.25 years
Share price volatility	58%
Dividends expected	$Nil
Risk-free interest rate	0.368%

Melinta

On 9 June 2015, Malin committed to invest a further $10.0 million (€8.9 million), at the same subscription price as the initial investment, which is callable by Melinta within 12 months. The $10.0 million put option is a derivative financial liability. The fair value of this derivative was estimated at $1.9 million (€1.7 million) at the acquisition date. Since Malin acquired its 11% interest in Melinta and the put option obliging it to invest a further $10.0 million on the same date, the consideration paid of €31.1 million ($35.0 million) has been determined as being the net consideration for the fair value of the shares and the put option liability. Therefore, the available-for-sale investment has been initially recognised at a fair value of €32.8 million. There was no change to the fair value of the investment, or the derivative financial liability, other than a foreign exchange gain of €0.2 million, of which €9k related to the derivative financial liability, between the acquisition date and 30 June 2015. A description of the significant unobservable inputs to the valuation using the Black Scholes model is set out below.

	30 June 2015 Assumptions
Significant unobservable input	
Exercise price of the option	$1.045
Expected life of option	1 year
Share price volatility	50%
Dividends expected	$Nil
Risk-free interest rate	0.543%

Notes
continued

13 Derivative assets and liabilities (continued)

3D4Medical

Malin's call option is exercisable solely at Malin's discretion, at any time between 12 and 24 months from 30 June 2015 at a premium of 100% over the subscription price per share paid on 30 June 2015 to subscribe for such additional number of shares as shall increase Malin's percentage equity shareholding to 50% on a fully diluted basis. The call option is a derivative financial asset. The fair value of this derivative was estimated at €0.7 million ($0.8 million) at the acquisition date. Since Malin acquired its 38% interest in 3D4Medical and the call option allowing it to invest a further €18.5 million ($20.7 million) on the same date, the consideration paid of €14.7 million ($16.4 million) has been determined as being the net consideration for the fair value of the shares and the call option asset. The fair value of the call option on initial recognition and also at 30 June 2015 was €0.7 million. A description of the significant unobservable inputs to the valuation using the Black Scholes model is set out below.

	30 June 2015 Assumptions
Significant unobservable input	
Exercise price of the option	$58,929
Expected life of option	2 years
Share price volatility	50%
Dividends expected	$Nil
Risk-free interest rate	0.977%

An2H

Malin's contingent investment commitment of €10.0 million is contingent on the achievement of certain scientific milestones by An2H. The €10.0 million contingent investment consideration is a derivative financial liability which is required to be recognised and subsequently measured at fair value. It has been determined that the fair value of this contingent investment commitment was close to €nil when the investment closed and there has been no change to the fair value in the period to 30 June 2015.

Serenus

Malin is entitled to invest up to a further $25.0 million at a subscription price of 81% less than the initial subscription price to acquire shares to bring its stake up to 76% of the fully diluted ordinary share capital of Serenus. This investment is subject to specific strategic and operational achievements by Serenus and its management. Malin's $25.0 million call option in Serenus is a derivative equity instrument under IFRS. It is required to initially recognise the call option at fair value but the instrument is not subsequently re-measured. It has been determined that the fair value of this option was close to €nil when the investment closed and there has been no change to the fair value in the period to 30 June 2015.

Notes
continued

14 Goodwill and other intangible assets

	Goodwill €'m	Other Intangibles €'m	Total €'m
Cost:			
At incorporation	—	—	—
Acquisition of subsidiary	34.1	9.1	43.2
Exchange differences	(0.5)	—	(0.5)
At 30 June 2015	33.6	9.1	42.7
Accumulated amortisation:			
At incorporation	—	—	—
Acquisition of subsidiary	—	(4.1)	(4.1)
Exchange differences	—	—	—
At 30 June 2015	—	(4.1)	(4.1)
Net book value: 30 June 2015	33.6	5.0	38.6
Net book value: at incorporation	—	—	—

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of acquired subsidiaries at the date of acquisition. Included in the Group's statement of financial position at 30 June 2015 is goodwill of €34.1 million. This arose from the Group's acquisition of Serenus in May 2015 (€10.2 million), the acquisition of Altan in June 2015 (€22.6 million) and the acquisition of Emba Neuro in March 2015 (€1.3 million).

15 Property, plant and equipment

	Land and buildings €'m	Technical installations and other tangible assets €'m	Total €'m
Cost:			
At incorporation	—	—	—
Acquisition of subsidiary	5.4	21.2	26.6
Additions	0.1	—	0.1
At 30 June 2015	5.5	21.2	26.7
Accumulated depreciation:			
At incorporation	—	—	—
Acquisition of subsidiary	(0.9)	(12.4)	(13.3)
Charged in the period	—	(0.1)	(0.1)
At 30 June 2015	(0.9)	(12.5)	(13.4)
Net book value: 30 June 2015	4.6	8.7	13.3
Net book value: at incorporation	—	—	—

On 10 June 2015, the Group acquired Altan which had property, plant and equipment with a fair value of €13.3 million on the acquisition date.

Depreciation of €0.1 million has been charged to general and administration costs in the income statement during the financial period.

Notes
continued

16. Inventories

	30 June 2015 €'m
Raw materials	5.5
Work-in-progress	0.2
Finished goods	9.7
	15.4

During the period to 30 June 2015 the Group acquired Altan which had inventory with an acquisition date fair value of €14.7 million, including a step-up of €5.0 million from the carrying amount of finished goods. Between the acquisition date and 30 June 2015, €1.1 million was released to the income statement.

There were no write offs of inventory in the period to 30 June 2015.

17. Trade and other receivables

	30 June 2015 €'m
Trade receivables	13.8
Prepayments	1.2
Other debtors	0.2
	15.2

18. Cash and cash equivalents

	30 June 2015 €'m
Cash held by Malin and Malin Life Sciences Holdings Limited	133.3
Cash held by Malin operating subsidiaries	30.4
	163.7

At 30 June 2015, the Group's cash and cash equivalents balance of €163.7 million was denominated in the following currencies:

	30 June 2015 €'m
Euro	112.3
US Dollar	45.3
Pound Sterling	2.6
Canadian Dollar	3.5
	163.7

At 30 June 2015, Malin held 80% of its cash and cash equivalents balance of €163.7 million with A-rated financial institutions and 20% with B-rated financial institutions across Europe and the US.

Notes
continued

19. Trade and other payables

	30 June 2015 €'m
Trade payables	5.9
Trade payables due to related parties	2.2
Other creditors	0.2
Accrued expenses	1.8
PAYE	0.1
	10.2

20. Borrowings

	30 June 2015 €'m
Current borrowings	
Bank overdraft and borrowings	0.1
	0.1
Non-current borrowings	
Bank borrowings	32.7
	32.7
Total borrowings	32.8

€32.5 million of the Group's borrowings at 30 June 2015 relate to a secured term loan obtained by Altan in conjunction with the acquisition of the GES Group (note 11). The term loan is secured on the assets of the former GES Group and is for a term of 72 months. The loan carries a coupon of approximately 3.50% plus the 6 month euribor rate.

In addition, Altan secured a €7.5 million revolving credit facility which can be drawn at any time through May 2019 and carries a coupon of approximately 3.25% plus the 6 month euribor rate. This facility remains fully undrawn.

21. Share capital and premium

	30 June 2015 Number	€'m
Authorised Share Capital		
Ordinary Shares of €0.001 each	300,000,000	0.3
A Ordinary Shares of €0.001 each	5,000,000	—
B Ordinary Shares of €0.001 each	—	—
C Ordinary Shares of €0.001 each	350,000	—
D Ordinary Shares of €0.001 each	650,000	—
	306,000,000	0.3
Issued Share Capital		
Ordinary Shares of €0.001 each	35,300,694	—
A Ordinary Shares of €0.001 each	3,279,299	—
B Ordinary Shares of €0.001 each	—	—
C Ordinary Shares of €0.001 each	—	—
D Ordinary Shares of €0.001 each	—	—
	38,579,993	—

Notes
continued

21. Share capital and premium (continued)

Authorised share capital

On incorporation, the authorised share capital of the Company was €10,000,000 divided into 10,000,000,000 Ordinary Shares of €0.001 each. The Shareholders passed a number of resolutions to alter the authorised share capital of the Company during February and March 2015 as part of the restructuring of the capital of the Company prior to the Placing of the Ordinary Shares on the ESM. Immediately prior to the Placing, the Shareholders passed resolutions to alter the authorised share capital of the Company to €306,000 divided into 300,000,000 Ordinary Shares of €0.001 each, 5,000,000 A Ordinary Shares of €0.001 each, 350,000 C Ordinary Shares of €0.001 each and 650,000 D Ordinary Shares of €0.001 each. There have been no changes to the authorised share capital of the Company since this date.

Issued share capital

Ordinary Shares

On incorporation, the Issued Share Capital was 1 Ordinary Share of €0.001. On 25 March 2015, on admission to the ESM, 30,971,312 New Ordinary Shares were issued at a Placing Price of €10.00 each.

The Company had also secured additional investment commitments of €28.0 million as of the Admission Date pursuant to which additional new Ordinary Shares could subsequently be issued at the Placing Price ("Additional Investment Shares"). The conditions attached to the issuance of the Additional Investment Shares were subsequently satisfied in full, and on 12 May 2015 the Company issued 2,786,183 New Ordinary Shares.

The balance of the Issued Ordinary Shares of 1,543,199 at 30 June 2015 relate to Ordinary Shares issued to the Founder (see below). Immediately prior to the Placing, the Company had issued 4,000,000 Ordinary Shares to the Founder. Simultaneously with the Placing, the Founder's holding of Ordinary Shares was reduced to 1,415,831 Ordinary Shares representing 4% of the Total Issued Share Capital of the Company. 2,584,169 Ordinary Shares were acquired by the Company for nil consideration and cancelled, representing the issued Founder Ordinary Shares in excess of 4% of the Total Issued Share Capital of the Company following the Placing. In conjunction with the issuance of the Additional Investment Shares, 127,368 C Ordinary Shares converted to Ordinary Shares of the Company so as to preserve the percentage interest represented by the Founder Shares at Admission (4%), following the issue of the Additional Investment Shares.

Subsequent to the period end date, on 17 July 2015, Malin completed a placing of 3,821,571 new Ordinary Shares in the capital of the Company, representing approximately 10% of the Company's Total Issued Share Capital, at a price of €10.99 per share to raise gross proceeds of €42.0 million. Following admission of these follow-on placing shares, Malin's issued ordinary share capital consists of 39,122,265 Ordinary Shares of nominal value €0.001 each.

A Ordinary Shares

The A Ordinary Shares of 3,279,299 at 30 June 2015 relate to A Ordinary Shares issued to the Founder (see below). Immediately prior to the Placing, the Company had issued 4,000,000 A Ordinary Shares to the Founder. Simultaneously with the Placing, the Founder's holding of A Ordinary Shares was reduced to 3,008,641 A Ordinary Shares representing 8.5% of the Total Issued Share Capital of the Company. 991,359 A Ordinary Shares were acquired by the Company for nil consideration and cancelled, representing the issued Founder A Ordinary Shares in excess of 8.5% of the Total Issued Share Capital of the Company following the Placing.
In conjunction with the issuance of the Additional Investment Shares, 270,658 D Ordinary Shares converted to A Ordinary Shares of the Company so as to preserve the percentage interest represented by the Founder A Ordinary Shares at Admission (8.5%), following the issue of the Additional Investment Shares.

Notes
continued

21. Share capital and premium (continued)

B Ordinary Shares

On 2 February 2015, the Company allotted and issued 2,203 B Ordinary Shares of €1.00 each to Brandon Point Enterprises 5 Limited ("BPE5"), a subsidiary of BPI, at a premium of €232.03 per share and the shares were credited as fully paid up for cash payable of €0.5 million ("the BPI Cash Subscription"). On 5 February 2015, the Company issued 32,797 B Ordinary Shares of €1.00 each to 8 persons and BPE5 with a value of €7.6 million, which equals a premium of €231.99 per share as consideration for the BPI Investment Transfers. Immediately prior to the Admission Date, the B Ordinary Shares were converted to 815,473 New Ordinary Shares at a conversion ratio of approximately 23.2992 Ordinary Shares for each B Ordinary Share based on the aggregate value of the BPI Investment Transfers and the BPI Cash Subscription of €8.1 million divided by the Placing Price.

C Ordinary Shares

350,000 fully paid C Ordinary Shares of €0.001 each were issued to the Founder on 19 March 2015. In conjunction with the Additional Investment Shares, 127,368 C Ordinary Shares converted to Ordinary Shares of the Company so as to preserve the percentage interest represented by the Founder Shares at Admission (4%), following the issue of the Additional Investment Shares. Immediately following this conversion, the balance of the C Ordinary Shares held by the Founder of 222,632 were acquired by the Company for nil consideration and cancelled.

D Ordinary Shares

650,000 fully paid D Ordinary Shares of €0.001 each were issued to the Founder on 19 March 2015. In conjunction with the Additional Investment Shares, 270,658 D Ordinary Shares converted to A Ordinary Shares of the Company so as to preserve the percentage interest represented by the Founder A Ordinary Shares at Admission (8.5%), following the issue of the Additional Investment Shares. Immediately following this conversion, the balance of the D Ordinary Shares held by BPE5 of 379,342 were acquired by the Company for nil consideration and cancelled.

Founder Shares

In conjunction with the formation and admission of Malin, the Company issued Founder Shares to BPI. At 30 June 2015, BPE5 held 1,543,199 Ordinary Shares which represented 4% of the Total Issued Share Capital of the Company and 3,279,299 A Ordinary Shares which represented 8.5% of the Total Issued Share Capital of the Company.

The Founder A Ordinary Shares are convertible into Ordinary Shares in 2 separate tranches. The first tranche of 6% of the Total Issued Share Capital at 30 June 2015 is convertible at any time after the third year anniversary of Admission on the achievement by the Company of a CAGR on TSR of equal to or greater than 11%. The second tranche of 2.5% of the Total Issued Share Capital at 30 June 2015 is convertible at any time after the fifth year anniversary of Admission on the achievement by the Company of a CAGR on TSR of equal to or greater than 17.5%. Refer to note 24 on share-based compensation for further information.

Following the completion of the placing of the additional 3,821,571 new Ordinary Shares in the capital of the Company on 17 July 2015, BPE5's holding of 1,543,199 Ordinary Shares represents 3.6% of the Total Issued Share Capital of the Company, while BPE5's holding of 3,279,299 A Ordinary Shares represents 7.7% of the Total Issued Share Capital of the Company.

Notes
continued

22. Other reserves

	Share-based payment reserve €'m	Available-for-sale reserve €'m	Foreign currency translation reserve €'m	Viamet BPI transfer reserve €'m	Total €'m
At incorporation	—	—	—	—	—
Receipt of call option on Viamet from BPI	—	—	—	1.1	1.1
Founder Ordinary Shares	15.4	—	—	—	15.4
Founder A Ordinary Shares	1.6	—	—	—	1.6
Currency translation:					
Arising in the period	—	—	(1.0)	—	(1.0)
Available-for-sale investments - change in fair value (foreign currency)	—	(0.4)	—	—	(0.4)
At 30 June 2015	17.0	(0.4)	(1.0)	1.1	16.7

Share-based payments
The share-based payment reserve comprises the amounts expensed in the income statement in connection with share-based payments. For further information on share-based payments, please refer to note 24.

Available-for-sale reserve
The available-for-sale reserve comprises unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets. The change in the period relates to foreign currency translation only. For further information on the Group's available-for-sale investments, please refer to note 12.

Foreign currency translation reserve
The Group's foreign currency translation reserve represents all foreign exchange differences from incorporation arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits and losses of such operations from the average rate for the period to the closing rate at the reporting date, as well as the Group's share of the currency translation adjustment of its associates.

Viamet BPI transfer reserve
BPI transferred its 33% portion of a $15.0 million (approximately €13.3 million) call option with Viamet to Malin as part of the investor rights transferred to Malin as part of the BPI Investment Transfers. The $15.0 million option is held by a company controlled by Malin. The full amount of the consideration paid by Malin to BPI of €4.4 million ($5.0 million) for the Viamet transfer was attributed to the equity interest transferred so the fair value of the call option transferred is recognised as a contribution from BPI to Malin. The fair value of the option transferred on initial recognition has been estimated at $1.3 million (€1.1 million). The option has been recognised as a derivative financial asset with a corresponding increase in equity to reflect this contribution from BPI in its capacity as Founder of Malin. For further information on the call option, please refer to note 13.

Notes
continued

23. Loss per Ordinary Share

Basic loss per share is computed by dividing the net loss for the period available to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted loss per share is computed by dividing the net loss for the period by the weighted average number of Ordinary Shares outstanding and, when dilutive, adjusted for the effect of all potentially dilutive shares, including the unvested Founder A Ordinary Shares.

	30 June 2015 €'m
Numerator:	
Net loss for the period attributable to equity holders of the parent	(25.8)
Denominator:	
Weighted average number of Ordinary Shares outstanding for the period	16,938,456
Basic and diluted loss per share (euro per share)	(€1.52)

As at 30 June 2015, there were 3,279,299 unvested Founder A Ordinary Shares outstanding that could potentially have a dilutive impact on earnings per share in the future. As net losses were recorded in the period, the dilutive potential shares are anti-dilutive for the earnings per share.

24. Share-based compensation

In connection with the Admission, Malin issued 1,543,199 Ordinary Shares to BPI representing 4% of the Total Issued Share Capital of the Company referred to as the Founder Ordinary Shares. In addition, the Company issued 3,279,299 A Ordinary Shares representing 8.5% of the Total Issued Share Capital of the Company to BPI referred to as the Founder A Ordinary Shares. The A Ordinary Shares are convertible into Ordinary Shares upon the achievement by the Company of agreed performance thresholds or on the occurrence of a change of control.

There are 2 separate tranches of performance thresholds upon which the Founder A Ordinary Shares convert to Ordinary Shares. The first tranche of 6% (2,314,800 A Ordinary Shares) is convertible at any time after the third year anniversary of Admission on the achievement by the Company of a CAGR on TSR of equal to or greater than 11%. The second tranche of 2.5% (964,500 A Ordinary Shares) is convertible at any time after the fifth year anniversary of Admission on the achievement by the Company of a CAGR on TSR of equal to or greater than 17.5%. The Founder A Ordinary Shares will automatically and immediately convert on a one-for-one basis to Ordinary Shares on a change of control. The Founder Ordinary Shares are subject to a 3 year lock-up arrangement from the Admission Date during which time BPI may not to sell, transfer, grant any option over, or otherwise dispose of, the legal, beneficial or any interest that it has in these shares for a period of 3 years following Admission. During such 3 year lock-up arrangement BPI is entitled after the expiry of the first year, to mortgage, charge, pledge, lend, grant security over or otherwise encumber the Founder Shares.

The full amount of the fair value of the Founder Ordinary Shares of €15.4 million was recognised as a share-based payment expense on the grant date (the Admission Date) and is presented within Company Establishment Costs in the income statement (note 6). The fair value per share was determined to be equal to the Placing Price of €10.00 per share.

Notes
continued

24. Share-based compensation (continued)

The fair value of the Founder A Ordinary Shares has been arrived at by applying a Monte Carlo simulation technique with the following weighted average assumptions:

	30 June 2015 €'m
Expected volatility	35%
Expected life	9 years
Expected dividend yield	—
Risk-free interest rate	0.54%

Based on the Monte Carlo model, the fair value of the first tranche of Founder A Ordinary Shares (11% CAGR TSR Target vesting from the third anniversary of the Placing) has been estimated at €6.84 per share. The fair value of the second tranche Founder A Ordinary Shares (17.5% CAGR TSR Target vesting from the fifth anniversary of the Placing) has been estimated at €4.23 per share. The cumulative fair value of the first tranche Founder A Ordinary Shares (2,314,800 A Ordinary Shares) issued to BPI on the Admission Date is €15.8 million and the cumulative fair value of the second tranche Founder A Ordinary Shares (964,500 A Ordinary Shares) issued to BPI on the Admission Date is €4.1 million.

Malin will recognise the fair value of these awards as an expense in the income statement with a corresponding credit recorded in a share based payment reserve within 'other reserves' in equity over the relevant vesting periods. The vesting period of the first tranche Founder A Ordinary Shares has been estimated at 3 years while the vesting period of second tranche Founder A Ordinary Shares has been estimated at 5 years. A charge of €1.6 million was recognised for the period to 30 June 2015 in relation to the Founder A Ordinary Shares. This charge is presented within general and administrative expenses in the income statement (note 5).

25. Financial instruments

Set out below is a comparison of the carrying amounts and fair values of financial assets and liabilities as at 30 June 2015:

	30 June 2015 Carrying amount €'m	Fair value €'m
Financial assets:		
Available-for-sale investments	52.1	52.1
Derivative financial assets	1.8	1.8
At 30 June 2015	53.9	53.9
Financial liabilities:		
Interest bearing loans and borrowings		
Fixed rate borrowings	(32.8)	(32.8)
Derivative financial liabilities	(1.7)	(1.7)
At 30 June 2015	(34.5)	(34.5)

	Level 1 €'m	Level 2 €'m	Level 3 €'m	Total €'m
Financial assets measured at fair value:				
Available-for-sale investments				
Unquoted equity shares	—	52.1	—	52.1
Derivative financial assets	—	—	1.8	1.8
At 30 June 2015	—	52.1	1.8	53.9
Financial liabilities measured at fair value:				
Derivative financial liabilities	—	—	(1.7)	(1.7)
At 30 June 2015	—	—	(1.7)	(1.7)

Notes
continued

25. Financial instruments (continued)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (e.g. quoted prices for similar assets). These are mainly based on prices determined from recent investments in the last 12 months.
- Level 3 inputs are unobservable inputs for the asset or liability.

Where quoted prices in active markets are not available, the standard identifies 3 types of valuation techniques that can be applied to estimate fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities, or a group of assets and liabilities, such as a business. The income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). The cost approach will only be relevant if the investment was acquired within the previous 12 months and its cost is still considered to be a reasonable approximation to fair value at the measurement date.

Fair value of investments

The fair value of Malin's private investments will be determined using the following market and income approaches including:

- Price of a recent investment
- Relative valuation
- Industry benchmarks
- Discounted cash flows

The appropriate approach will be that for which there is sufficient data available to determine fair value and Malin will typically apply a number of techniques to ensure the reliability of the valuation. Wherever possible Malin will use valuation techniques which make maximum use of market-based inputs.

Price of a recent investment

The valuation of a company is based on the latest share issue in which external investors have invested new capital. During the period following the date of the relevant transaction, the new valuation will be adjusted according to change or events which may influence the fair value of the company.

Relative valuation

The value of a company is estimated relative to the market prices of similar companies. This involves comparing the company with similar companies in the same industry, stage of development, market, pipeline depth and so forth.

The 3 types of relative valuation used are direct comparison to a company, peer group average and peer group average adjusted for differences. These are explained below.

i) Direct comparison to a company

This is used where a public company is very similar to the company the Group is valuing in terms of the development stage, products, pipeline, operations, market etc. A discount will usually be applied to take account of the incremental value associated with public equities as opposed to private securities.

Notes
continued

25. Financial instruments (continued)

ii) Peer group average
This technique involves reviewing publicly traded companies to develop a peer group similar to the company being valued, referred to as “comparable” companies. Market multiples are developed and based on 2 inputs: (i) quoted trading prices; and (ii) financial metrics, such as revenue, net income, earnings before interest, taxes, depreciation and amortisation (“EBITDA”), etc.

iii) Peer group average adjusted for differences
Where there are variances between the company being valued and the comparable companies used in calculating the peer group average, the market multiples are adjusted, as appropriate, for differences in the stages of development, therapeutic market sizes, growth rates, profitability and other relevant factors. The adjusted multiples are then applied to the subject company’s comparable financial metric.

Industry benchmarks
The market transaction multiple method is based upon prices paid in observed market transactions of comparable companies or assets. Valuation multiples are developed from observed market data for a particular financial or operating metric of the business enterprise. Financial metrics include earnings or revenue. Operating metrics include the stage of development of the lead compound(s).

Discounted cash flows
Discounted cash flows involve estimating the fair value of a company by calculating the present value of expected future cash flows, based on the most recent forecasts in respect of the underlying business. The key assumptions used in applying the DCF model to Malin’s companies are:

- Discount rate
- Probability of success for development stage assets
- Market size and peak sales
- Costs of development

Fair value of derivative financial instruments
The fair value of derivative financial instruments that are not traded in an active market is determined by using valuation techniques. Management have assessed the characteristics of each of these contracts to determine the most appropriate basis for determining the fair value of these derivatives on initial recognition. For further information on the basis, estimates and assumptions used for each derivative contract please refer to note 13.

26. Non-controlling interests

	30 June 2015 €’m
At incorporation	—
Acquisition of subsidiaries in the period	14.2
Share of (loss)/profit for the period	(0.8)
Dividends to non-controlling interests	—
Exchange differences	—
At 30 June 2015	13.4

Notes
continued

27. Related party transactions
Under IAS 24, "Related Party Disclosures" ("IAS 24"), Malin has various related parties stemming from relationships with subsidiaries, associate undertakings and non-controlling interests, its founders, key management personnel and other related parties. All transactions with subsidiaries eliminate on consolidation and are not presented in accordance with revised IAS 24.

BPI and Malin related parties
Malin's founder is BPI, an Irish based integrated life sciences, strategic management and operational business. The related party transactions between Malin and BPI are set out below.

Brandon Point Management Services ("BPMS") contract
Malin has entered into an operating services agreement with BPMS, a subsidiary of BPI, pursuant to which BPMS will provide a range of corporate, administrative and operational services to the Company. The Operating Services Agreement is overseen by the Governance and Conflicts Committee of the Board. The Company pays for these services on normal commercial terms or on terms which are below the market rate as a result of the synergies between BPMS' infrastructure and the infrastructure required by the Company. The annual fee will be approved by the Governance and Conflicts Committee of the Company based on submissions of the services and costs to be provided by the Company and BPMS. The Operating Services Agreement is subject to a maximum annual charge of €1.7 million for each year of the initial 3 year term. The charge for the period to 30 June 2015 was €0.3 million, inclusive of unrecoverable VAT, and the Company expects a charge of €0.6 million, inclusive of unrecoverable VAT, for the services to be provided to the Company for the remainder of 2015. In March 2015, the Company paid BPMS €0.9 million in respect of these services. The final charge for 2015 will be determined based on a review of the actual services provided compared to the planned services and a credit or incremental charge may arise. This review will be overseen by the Governance and Conflicts Committee of the Board.

Prior to the initiation of the Operating Services Agreement and in advance of the Placing, BPMS provided the Company with services in relation to a range of corporate, administrative and operational "back office" services; and legal, tax and due diligence services in relation to the 7 initial acquisitions and investments. The Company paid a BPI fee of €3.1 million (plus VAT) in respect of these services. This fee is included as part of the total Company Establishment Transaction Costs set out in note 6.

Founder Shares
In connection with the Admission, Malin issued BPI with Founder Ordinary Shares representing 4% of the Total Issued Share Capital of the Company and Founder A Ordinary Shares representing 8.5% of the Total Issued Share Capital of the Company. The A Ordinary Shares are convertible into Ordinary Shares upon the achievement by the Company of agreed performance thresholds or on the occurrence of a change of control. The share-based payment charge associated with the Founder Shares in the period to 30 June 2015 was €17.0 million. For further information on the Founder Shares, please refer to note 21.

Other BPI shareholdings in Malin
In connection with the BPI Investment Transfers, Malin issued 764,145 Ordinary Shares to BPI along with its principals and shareholders, who funded initial investments that were transferred to Malin in each case at their initial transaction date value (i.e. the consideration paid by BPI, its principals and shareholders) totaling €7.6 million ($8.6 million) which was also the fair value of the investments at the date of transfer. For further information on the BPI Investment Transfers, please refer to note 9.

BPI also subscribed for 51,328 Ordinary Shares Malin in cash at the Placing Price of €10.00 per share.

BPI along with its principals and shareholders have an interest in an aggregate 7.7% of the Total Issued Share Capital of the Company. This includes the interests of Kelly Martin, John Given, Sean Murphy and Darragh Lyons held in a personal capacity.

Notes
continued

27. Related party transactions (continued)

The interests of the Directors in the issued share capital of the Company on 18 September 2015, the latest practicable date, is set out below.

Name	Ordinary Shares	% of Issued Share Capital
John Given	50,007	0.1%
Kelly Martin	2,580,569*	6.6%*
Dr. Adrian Howd	—	—
Darragh Lyons	4,046	—
Robert A. Ingram	—	—
Sean Murphy	369,883	1.0%
Kieran McGowan	14,099	—
Liam Daniel	10,000	—
Owen Hughes	11,373	—

* 2,125,610 Ordinary Shares representing 5.43% in the issued share capital of the Company held by BPE5 are regarded as being a disclosable interest on behalf of Mr. Kelly Martin pursuant to Section 258(d) of the Companies Act, 2014 as Mr. Martin is entitled to exercise or control the exercise of one third or more of the voting power at general meetings of BPE5.

Employment contracts

5 employees of the Company hold separate employment agreements with BPI. Where applicable, the individual's primary employment is with the Company, however, in accordance with their employment agreements a certain percentage of each individual's working time may be dedicated to BPI activities, as set out below.

Individual	Title	Percentage of time which may be dedicated to BPI activities
Neil McLoughlin	Company Executive	20%
Fiona Dunlevy	Head of Tax and Corporate Affairs	15%
David Dobrosky	Senior Analyst	25%
Ita Finegan	Chief Administrator (Ireland)	25%
Stephanie Torruella	Chief Administrator (US)	75%

Directors and shareholders of BPI

Mr. Kelly Martin, CEO and Director of the Company, is a founder and shareholder of BPI and is a director of a number of BPI group companies.

Mr. John Given, Chairman of the Company, is a founder and shareholder of BPI and is a director of a number of BPI group companies, including BPMS with which the Company has its Operating Services Agreement.

Dr. Adrian Howd, CIO and Director of the Company, is a shareholder and director of BPI and is also a director on a number of BPI group companies.

Mr. Sean Murphy, Non-Executive Director of the Company, is a shareholder of BPI and is also a director of a BPI company.

Mr. Darragh Lyons, CFO and Director of the Company, is a shareholder of BPI and is a director of BPMS with which the Company has its Operating Services Agreement.

Mr. Neil McLoughlin, an Executive of the Company, is a shareholder of BPI and is a director of BPMS, with which the Company has its Operating Services Agreement and a number of other of BPI group companies.

Ms. Fiona Dunlevy, Head of Tax and Corporate Affairs of the Company, is a shareholder of BPI.

Ms. Ita Finegan, Chief Administrator (Ireland) of the Company, is a shareholder of BPI.

Ms. Stephanie Torruella, Chief Administrator (US) of the Company, is a shareholder of BPI.

Mr. Kieran McGowan, Non-Executive Director of the Company, is a shareholder and advisory partner of BPI.

Mr. Robert A. Ingram, Non-Executive Director of the Company, is an advisory partner of BPI.

Notes
continued

27. Related party transactions (continued)
Relationships with investee companies

Viamet

Hatteras Venture Partners ("Hatteras"), in which Mr. Robert A. Ingram serves as General Partner, hold approximately 7% of the fully diluted equity capital of Viamet, through Hatteras Venture Partners III. Mr. Ingram is Chairman of the Board of Viamet.

Novan

Mr. Robert A. Ingram served as a director on Novan's board prior to the Company's agreement to invest in Novan.

Emba Medical and Emba Neuro

Mr. Kelly Martin, CEO and Director of the Company, holds approximately 1.5% of the fully diluted equity capital of Emba Medical and approximately 0.9% of the fully diluted equity capital of Emba Neuro, in his own personal capacity.

Mr. Sean Murphy, a Non-Executive Director of the Company, holds approximately 0.7% of the fully diluted equity capital of Emba Medical and approximately 0.4% of the fully diluted equity capital of Emba Neuro, in his own personal capacity.

BPMS provides financial, accounting, company secretarial and tax services to Emba Medical and Emba Neuro and receives consideration of $2,500 per month from each company for the provision of these services. Amounts were outstanding at 30 June 2015 of $5,000 from Emba Medical and $5,000 from Emba Neuro.

Hatteras

Subsequent to the period end, in August 2015, Malin agreed to invest a minimum of $15.0 million (approximately €13.7 million) and, depending on a number of factors, up to a total of $20.0 million (approximately €18.3 million) with Hatteras, (Hatteras Venture Partners V), a life sciences focused venture capital firm based in North Carolina. Mr. Robert A. Ingram serves as General Partner of Hatteras.

Key management compensation

The key management personnel are the executive directors of the Company. The remuneration expense for the executive directors in the period to 30 June 2015 was €0.3 million.

28 Events after the reporting date
Immunocore Limited ("Immuncore")

On 15 July 2015, Malin invested €72.9 million ($80.3 million) in Immunocore, a world-leading biotechnology company developing novel T cell receptor ("TCR") based therapies with the potential to treat a variety of cancers, viral infections and autoimmune diseases. Malin joined Woodford Investment Management, Eli Lilly and Company, Fidelity Management and Research Company, RTW Funds as well as a number of existing investors in Immunocore in a financing round of $320 million; Europe's largest ever Series A life sciences financing.

The proceeds will enable Immunocore to further accelerate its pipeline of ImmTACs (Immune mobilising mTCR Against Cancer). ImmTACs are a new class of bispecific biologics which have the potential to treat a broad range of solid tumours either as monotherapies or in combination with other therapies to create best in class treatment regimes. In addition to delivering on its well-established partnerships, Immunocore will focus, in particular, on progressing its lead proprietary programme, IMCgp100, which produced positive Phase I/IIa trial data announced in April 2015 in patients with advanced metastatic cutaneous and ocular melanoma.

Notes
continued

28 Events after the reporting date (continued)

Placing

On 17 July 2015, Malin completed a placing of 3,821,571 new Ordinary Shares in the capital of the Company ("the July Placing") representing approximately 10% of the Company's Total Issued Share Capital, at a price of €10.99 per share to raise gross proceeds of €42.0 million.

Following admission of the July Placing shares, Malin's issued ordinary share capital consists of 39,122,265 Ordinary Shares of nominal value €0.001 each.

Hatteras

In August 2015, Malin agreed to invest a minimum of $15.0 million (approximately €13.7 million) and, depending on a number of factors, up to a total of $20.0 million (approximately €18.3 million) with Hatteras, a life sciences focused venture capital firm based in North Carolina. Hatteras invests in early stage companies in life sciences with a broad focus including medical devices, diagnostics, discovery science and clinical platforms as well as healthcare IT. €0.7 million ($0.8 million) of this total commitment has been advanced to Hatteras to date.

29. Principal subsidiaries and associated undertakings

a) Subsidiaries

Incorporated and operating in	Principal place of business	Principal activities	Group interest %
Ireland			
Malin Corporation plc	Ireland	Ultimate parent company	100%
Malin Life Sciences Holdings Limited	Ireland	Holding company	100%
Serenus Biotherapeutics Ireland Limited	Ireland	Distribution	48%
Altan Pharma Limited	Ireland	Generic injectables	65%
Emba Neuro Limited	Ireland	Development of medical devices	54%
United States			
Malin Life Sciences (US) Inc.	New Haven, CT	Management services	100%
United Kingdom			
Malin Life Sciences (UK) Limited	Cambridge, UK	Management services	100%

29. Principal subsidiaries and associated undertakings (continued)

b) Associates

Incorporated and operating in	Principal place of business	Principal activities	Group interest %
Ireland			
An2H Discovery Limited	Ireland	Oncology/neurology	25%
3D4Medical Limited	Ireland	Anatomy technology	38%
Emba Medical Limited	Ireland	Development of medical devices	13%
Brandon Point Enterprises 1 Limited	Ireland	Holding company	28%
United States			
Novan Therapeutics Inc.	United States	Dermatology	17%
Viamet Pharmaceutical Holdings LLC	United States	Anti-infectives	12%
United Kingdom			
Kymab Limited	UK	Oncology	12%
Jersey			
Malin J1 Limited	Jersey	Holding company	33%

30. Approval of financial statements

The Board of Directors approved the interim consolidated financial statements for the period ended 30 June 2015 on 18 September 2015.

Directors, Secretary and Advisers

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554442

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G. Kelly Martin (CEO)
Dr. Adrian Howd (CIO)
Darragh Lyons (CFO)
Robert A. Ingram
Sean Murphy
Kieran McGowan
Liam Daniel
Owen Hughes
Prof. Dr. Uwe Bicker (effective from 1 October 2015)

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Share Identifiers
Ticker: MLC
ISIN: IE00BVGC3741
SEDOL: BVGC374

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