MALIN

Supporting exceptional science and technology

Interim Financial Statements

for the 6-month period ended 30 June 2020

Who we are

Malin invests in and supports highly innovative life sciences companies developing exceptional science and technology to deliver transformative outcomes for patients and create significant value for shareholders.

Malin's purpose is to create shareholder value through the application of long-term capital and strategic support to its investee companies to enable them to reach their value potential.

Malin is headquartered in Ireland and listed on the Euronext Growth Market of Euronext Dublin.

Malin at a glance

As at 30 June 2020

Estimated fair value of investee companies	€373 million
Estimated intrinsic equity value per share	€7.78
Cash*	€39 million

*Estimate at 31 August 2020***

Estimated fair value of investee companies	€346 million
Estimated intrinsic equity value per share	€7.18

* Malin corporate subsidiaries

** Represents IPEV fair value estimates as at 30 June 2020 with two adjustments: (i) an updated valuation of Malin's interest in Poseida, following the company's IPO in July 2020, as a mark-to-market valuation at 31 August 2020; and (ii) an additional 2% of issued share capital in Kymab acquired in August 2020 and valued at the same value per share as Malin's existing holding in Kymab at 30 June 2020.

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H1 2020 Performance Highlights

Notable clinical and financial progress across Malin's Priority Assets

Poseida Therapeutics

Leveraging its proprietary next-generation, non-viral gene engineering technologies to create life-saving cell therapeutics for patients with high unmet medical need.

- Raised $110 million in a private funding round led by Fidelity, before completing an IPO on the Nasdaq Global Select Market, raising $224 million
- Continued enrolment for its autologous CAR-T therapy for patients with relapsed/refractory multiple myeloma, P-BCMA-101, in a Phase 2 study as well as dosing patients in a Phase 1 expansion study
- Poseida initiated a clinical study for P-PSMA-101 in prostate cancer in May 2020. The trial was placed on clinical hold by the FDA in August 2020 following a patient death. Poseida's assessment of the event and evaluation of next steps is ongoing, including working with the FDA toward the objective of resuming the clinical trial.

Kymab

Developing a deep pipeline of novel human antibody-based therapies with a focus on immune mediated diseases and immuno-oncology using its proprietary, integrated platforms collectively called (IntelliSelect®).

- Announced positive top line data from its Phase 2a anti-OX40 ligand-targeting antibody in atopic dermatitis, KY1005, supporting the potential of this antibody to benefit patients in multiple inflammatory diseases
- Continues to advance its Phase 1/2 study of its next antibody targeting ICOS, with potential across multiple solid tumour indications
- Won its UK Supreme Court patent case against Regeneron, as well as successfully defending its patents from challenges from Regeneron in the US, Japan & Australia

Immunocore

Developing biological drugs to treat cancer, infectious diseases and autoimmune diseases through its pioneering soluble T cell receptor technology platform.

- Continued progress on tebentafusp (IMCgp100) studies toward potential BLA filing
- Initiated patient dosing in proprietary clinical stage programme for PRAME, a target expressed in a wide range of tumours
- Completed a $130 million Series B financing round led by General Atlantic

Viamet

Financial interest in the potential success of a Phase 3 compound in development for the treatment of recurrent vulvovaginal candidiasis (RVVC), an unmet need in women's health.

- Following the structured transaction through which NovaQuest Capital (Mycovia) acquired the VT-1161 molecule from Viamet and assuming the successful clinical and commercial progression of this molecule, Malin could receive significant, recurring cash inflows from milestone payments and royalties that will become payable
- Phase 3 studies of VT-1161 in RVVC progressing with data expected over the next 6 months

Chief Executive's Statement

Darragh Lyons
Chief Executive Officer

We are pleased with the progress made in 2020 to date as we seek to further advance and de-risk our investee companies towards realisation events. We have seen some important milestones achieved by our investee companies during the first half of the year and we expect further important news flow in the months ahead from our assets. If positive, these milestones have the potential to create significant value and could help catalyse realisation events for Malin.

Performance across Investee Companies

Despite the very difficult macroeconomic environment, our investee companies made significant financial, clinical and operational progress in 2020 to date.

Poseida significantly strengthened its capital base over the past few months thereby optimally positioning the company to advance its broad pipeline of cell and gene therapy programmes. In June 2020, Poseida raised approximately $110 million in a private funding round led by Fidelity, before completing an IPO on the Nasdaq Global Select Market, raising gross proceeds of $224 million, in July 2020. While the public stock trading performance has been very weak since IPO, we believe the company is now better positioned than ever to deliver on the enormous potential of its technology platforms and emerging clinical pipeline with over $350 million of cash on the balance sheet to fund these development efforts. Malin retains a 15% stake in this well-funded company.

We are particularly excited by the potential of Poseida's allogeneic technology, which we believe is where the future of CAR-T lies. The company is targeting the filing of an Investigational New Drug (IND) application and initiation of a clinical study using this technology in late 2020 or early 2021. The first allogeneic programme, P-BCMA-ALLO1, is the healthy donor version of Poseida's current autologous P-BCMA-101 programme, which is in a Phase 2 study. Poseida will provide an update on manufacturing improvements and related data from the Phase 1 expansion study of this autologous BCMA programme on 16 September 2020.

Poseida is also rapidly advancing its gene therapy platform, which has the potential to deliver single-treatment cures of inherited diseases, with the company goal of filing an IND and initiating its first clinical gene therapy programme in late 2021 or early 2022. The company's technology has distinct technological advantages, primarily related to the stable integration of the therapeutic transgene which should result in durable long-term expression, and it is also progressing its nanoparticle technology to potentially completely eliminate the need for viral vectors in its gene therapy programmes.

On 17 August 2020, Poseida announced that the clinical trial for P-PSMA-101 in metastatic castrate resistant prostate cancer was placed on clinical hold by the FDA following a patient death. Poseida's assessment of the event and evaluation of next steps is ongoing, including working with the FDA toward the objective of resuming the clinical trial. CAR-T products across the industry have demonstrated very limited success in solid tumours to date but this clinical hold announcement resulted in further downward pressure on the Poseida stock. While the clinical hold is unfortunate, we believe that the achievement of near-term clinical milestones could catalyse significant positive value inflection for Poseida.

Kymab recently announced excellent efficacy and safety data for its lead programme, KY1005, in a Phase 2a study in atopic dermatitis. The antibody targets the OX-40 ligand protein, which is an attractive therapeutic target since it is an upstream regulator of the inflammatory cascade. So KY1005 has the potential to modify disease rather than treat symptoms thereby giving the antibody enormous potential advantages over other therapies in terms of persistence of responses. The antibody has the potential to treat a wide variety of immune-mediated diseases and inflammatory disorders. Further data from the Phase 2a study will be released by Kymab over the coming months.

Ahead of these data, we increased our stake in Kymab from approximately 8% to 10% by acquiring almost half of Link (formerly Woodford) Income Equity Fund's stake in the shareholder pre-emption process.

Kymab also had positive news on its patents during the first half of 2020. The UK Supreme Court held that all the claims of two patents owned by Regeneron Pharmaceuticals Inc that were asserted against Kymab are invalid. This brings an end to Regeneron's challenge to Kymab's patents in the UK which they initiated in 2013. During the first half of 2020, Regeneron challenges to Kymab patents also failed in the US, Australia, and Japan.

The clinical trials of Viamet and Immunocore are progressing well in spite of the challenges of COVID-19. Immunocore's studies for its lead asset targeting uveal melanoma are advancing towards a potential Biologics Licence Application for this product candidate. Viamet's successor, Mycovia, is on track to have data from the Phase 3 studies of its VT-1161 molecule in RVVC before the end of 2020 which could support a New Drug Application in 2021.

We have also seen good progress from our revenue-generating assets during the first half of 2020. Altan recorded a 22% increase in revenues in the first half of 2020 compared to the same period in 2019, driven by a solid performance of its base business and initial contributions from its newly registered products and its expanded direct commercial presence to include all the Big 5 European markets. Altan benefitted from sales of COVID-19 relevant products but sales were equally impacted by the significant reduction in elective procedures in hospitals. Like all sellers of hospital-based products, we are closely monitoring the trend of patients returning to hospitals across Europe.

Xenex, the developer of UV-based hospital disinfection robots, has had unprecedented demand for its pulsed xenon robot during the first half of the year. Boosted by an independent study confirming the Xenex robot's ability to deactivate the virus that causes COVID-19, Xenex recorded a three-fold increase in revenues for the first six months of the year. Demand remains very strong driven by the ongoing COVID-19 pandemic globally and the resultant, and hopefully longer term, focus on disinfection and reducing healthcare associated infections.

Fair value estimate

The estimated fair value of our investee companies at 30 June 2020 was €373 million compared to €366 million at 31 December 2019. The increased fair value is largely attributable to our higher fair value estimate for Xenex, reflecting the positive trajectory in that business during the first half of 2020, partially offset by some foreign exchange-related reductions. As set out in the Finance Review on page 4, the updated fair value estimate at 31 August 2020 was €346 million, taking account of Poseida's mark-to-market value at 31 August 2020 following its IPO in July 2020 and our additional 2% stake in Kymab acquired in August 2020. The reduction in the fair value of our Poseida stake since 30 June 2020 of approximately 30% due to the weak share price performance is disappointing but our focus remains on their near-term clinical milestones. The Kymab valuation estimate at 31 August 2020 does not take account of the positive Phase 2a data in atopic dermatitis, which will be reflected when the full data set is available later this year.

COVID-19

Our investee companies continue to work diligently to minimise the impact of the COVID-19 pandemic on their operations, including clinical trials' execution and commercial activity. At Malin, we remain focused on closely monitoring, assessing and seeking to mitigate the actual and potential future impacts of COVID-19 on business activities. COVID-19 has not impacted Malin's near-term cash requirements and we have adapted fluidly to efficient and effective remote working.

Outlook

The need to advance exceptional science and technology with the potential to deliver transformative outcomes for patients has rarely been so evident. Our investee companies have matured, and we are starting to see clinical validation from the promising technology platforms into which we invested. We remain focused on maintaining our positions in these companies, insofar as possible, to reach these important milestones so that we can realise our capital at optimal value inflection points and initiate capital returns to our shareholders.

We enter the second half of 2020 with strong momentum across our investee companies, with continued news flow and milestones anticipated. We continue to work closely with these companies to develop their clinical programmes, commercial strategies and options for value realisation with the ultimate aim of maximising the capital returns to our shareholders.

Darragh Lyons

Darragh Lyons
Chief Executive Officer
1 September 2020

Finance Review

Fair value of Investee Companies

The estimated fair value of our investee companies is conducted in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines. As at 30 June 2020, the IPEV-compliant fair value of our interests in our investee companies was €373 million.

The valuation uplift during the first half of 2020 is largely attributable to our higher fair value estimate for Xenex, reflecting the positive trajectory in that business during the first half of the year, partially offset by a weakening of the US dollar, the currency in which most of our assets are valued. Poseida closed a Series D financing round in June 2020 prior to completing a Nasdaq IPO in July 2020 and the estimated fair value of Malin's investment in Poseida at 30 June 2020 reflects the price of the Series D financing round.

	Estimate at 31 August 2020[1]	30 June 2020		31 December 2019
Investee Company	IPEV fair value estimate[3] €'m	Malin % shareholding[2]	IPEV fair value estimate[3] €'m	IPEV fair value estimate[3] €'m
Poseida	76.2	19%[4]	110.6	111.2
Immunocore	49.8	7%	49.8	52.1
Kymab	34.5	8%[5]	27.7	27.5
Viamet	80.1	15%	80.1	80.2
Altan	60.4	65%	60.4	59.4
Xenex	34.9	11%	34.9	23.2
Wren	5.5	14%	5.5	5.9
Artizan	2.4	15%	2.4	2.6
Legacy	2.0		2.0	3.7
Total	**345.8**		**373.4**	**365.8**

1 Represents IPEV fair value estimates as at 30 June 2020 with two adjustments: (i) an updated valuation of Malin's interest in Poseida, following the company's IPO in July 2020, as a mark-to-market valuation at 31 August 2020; and (ii) an additional 2% of issued share capital in Kymab acquired in August 2020 and valued at the same value per share as Malin's existing holding in Kymab at 30 June 2020.

2 Shareholding based on issued share capital and does not take convertible debt into account.

3 The following considerations are used when calculating the fair value of life sciences companies:
- Market basis: Where the investment is publicly listed, the fair value will be the company's share price at the reporting date.
- Milestone analysis: In applying the milestone analysis approach, the Group attempts to assess where there has been an indication of change in fair value based on consideration of the progress of the investee company's key milestones. A milestone event may include technical, regulatory and/or financial measures.
- Discounted cash flows: Involves estimating the fair value of an investment by calculating the present value of expected future cash flows, based on the most recent forecasts in respect of the underlying business.
- Price of recent investment: Where there has been a recent investment by a third party, the price of that investment generally provides the basis of the valuation.
- Cost basis: Where the investment has been made recently it is valued on a cost basis unless there is objective evidence that a change in fair value has occurred since the investment was made.

4 Following Poseida's initial public offering on 10 July 2020, Malin now holds 15% of the company's issued share capital.

5 As at 30 June 2020, Malin held 8% of the issued share capital of Kymab but acquired additional shares equating to approximately 2% of the issued share capital in August 2020.

Estimated intrinsic equity value

We believe that estimated intrinsic equity value is the most robust metric to assess the progress of Malin in the near-term as we seek to monetise our assets having supported them through to their optimal value inflection points. Estimated intrinsic equity value is calculated using our estimate of the fair value of our investee company holdings in accordance with IPEV guidelines and adjusting this value for Malin's net debt.

Malin's intrinsic equity value at 30 June 2020 was €358 million, or €7.78 per Ordinary Share. When this intrinsic equity value at 30 June 2020 is adjusted to reflect an updated valuation of Malin's interest in Poseida, following the company's IPO in July 2020, as a mark-to-market valuation at 31 August 2020; and an additional 2% of issued share capital in Kymab acquired in August 2020, the estimated intrinsic equity value decreases to €330 million, or €7.18 per Ordinary Share.

Cash position

Malin's corporate cash position was €39.3 million at 30 June 2020. We had €1.5 million of inflows in the six month period to 30 June 2020 from the disposal of shares in an investee company. We initiated loan repayments on our EIB debt in July 2020 and will make €10 million of repayments in total during the second half of 2020 reducing our outstanding EIB debt balance to €45 million by 31 December 2020. Corporate cash operating expenses for the first half of 2020 were €1.5 million.

The impact of COVID-19 is not expected to impact Malin's near-term cash requirements and we will maintain an efficient business structure, keeping our corporate operating expenditure below €4 million.

Consolidated financial statements

As outlined in the 2019 annual report, Malin consolidates investee companies which we control (subsidiaries), equity accounts for investee companies over which we have the right to exercise significant influence (associate companies) and accounts for the remainder of our investments at fair value (financial assets held at fair value through other comprehensive income ("FVTOCI")). Malin's consolidated income statement and balance sheet incorporates the financials of our corporate and investee company subsidiaries, as well as recognising our share of the profits or losses of our associate companies. Changes in the fair value of our investee companies held at FVTOCI are recognised through the consolidated statement of comprehensive income. As at 30 June 2020, the carrying value of our investments in associates was €50.3 million and financial assets at FVTOCI was €117.3 million.

Statement of Directors' Responsibilities

for the 6-month period ended 30 June 2020

The Directors are responsible for preparing the half-yearly financial report in accordance with IAS 34 *Interim Financial Reporting* and the Euronext Growth Market Rules.

In preparing the condensed set of interim financial statements included within the half-yearly financial report, the Directors are required to:

- prepare and present the condensed set of interim financial statements in accordance with IAS 34 Interim Financial Reporting and the Euronext Growth Market Rules;
- ensure the condensed set of financial statements has adequate disclosures;
- select and apply appropriate accounting policies; and
- make accounting estimates that are reasonable in the circumstances.

The Directors are responsible for designing, implementing and maintaining such internal controls as they determine are necessary to enable the preparation of the condensed set of interim financial statements that is free from material misstatement whether due to fraud or error.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on Malin Corporation plc's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board:

Liam Daniel
Chairman
1 September 2020

Darragh Lyons
Chief Executive Officer

Independent Auditor's Review Report to Malin Corporation plc

Introduction

We have been engaged by Malin Corporation plc ("the Entity") to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's ("FRC's") International Standard on Review Engagements ("ISRE") (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Euronext Growth Market Rules.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Euronext Growth Market Rules. As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for ensuring that the condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

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

Scope of review

We conducted our review having regard to FRC's ISRE (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 (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.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Entity in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Entity 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 Entity for our review work, for this report, or for the conclusions we have reached.

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

1 September 2020

Unaudited condensed consolidated income statement

for the 6-month period ended 30 June 2020

	Notes	Unaudited 6-month period ended 30 June 2020 €'m	Unaudited 6-month period ended 30 June 2019 €'m
Revenue	4	21.8	19.3
Cost of sales	6	(15.4)	(13.9)
Gross profit		**6.4**	**5.4**
Research and development costs	6	(1.6)	(1.3)
Selling, general and administrative expenses	6	(5.6)	(9.4)
Operating loss		**(0.8)**	**(5.3)**
Share of losses attributable to associates	8	(12.8)	(14.9)
Net gain on change in equity ownership of associates	8	15.8	24.4
Finance income		0.1	0.1
Finance expense		(1.9)	(1.6)
Profit before tax		**0.4**	**2.7**
Income tax	7	(2.1)	1.3
(Loss)/profit after tax for the period		**(1.7)**	**4.0**
Equity holders of the parent		(2.0)	3.9
Non-controlling interest		0.3	0.1
Basic (loss)/earnings per share attributable to owners of the parent (euro per share)	16	(€0.04)	€0.08
Diluted (loss)/earnings per share attributable to owners of the parent (euro per share)	16	(€0.04)	€0.08

Unaudited condensed consolidated statement of comprehensive income

for the 6-month period ended 30 June 2020

	Notes	Unaudited 6-month period ended 30 June 2020 €'m	Unaudited 6-month period ended 30 June 2019 €'m
(Loss)/profit after tax for the period		(1.7)	4.0
Other comprehensive (loss)/income ("OCI"):			
Items that may be reclassified subsequently to the income statement			
Foreign currency translation differences		(0.4)	0.1
Share of OCI of associate – foreign currency translation	8	(0.2)	0.7
Financial assets at FVTOCI – foreign currency translation	9	(1.1)	0.1
Items that will not be reclassified subsequently to the income statement			
Financial assets at FVTOCI – fair value movement	9	10.2	1.7
Financial assets at FVTOCI – foreign currency translation	9	(0.3)	0.1
Other comprehensive income for the period		**8.2**	**2.7**
Total comprehensive income for the period		**6.5**	**6.7**
Attributable to:			
Equity holders of the parent		6.1	6.6
Non-controlling interest		0.4	0.1

Unaudited condensed consolidated statement of financial position

as at 30 June 2020

	Notes	Unaudited 30 June 2020 €'m	Audited 31 December 2019 €'m
Assets			
Non-current assets			
Investments in associates	8	50.3	47.5
Financial assets at FVTOCI	9	117.3	110.0
Goodwill and other intangible assets	10	33.4	34.3
Property, plant and equipment		10.9	11.1
Deferred tax asset	7	2.0	2.2
Other non-current assets	11	0.8	2.5
Total non-current assets		**214.7**	**207.6**
Current assets			
Inventories		12.7	11.0
Trade and other receivables	11	8.6	5.0
Cash and cash equivalents (including restricted cash)	12	44.9	47.5
Current tax asset		0.2	0.7
Total current assets		**66.4**	**64.2**
Total assets		**281.1**	**271.8**
Liabilities			
Non-current liabilities			
Loans and borrowings	13	53.9	55.1
Deferred tax liability	7	6.4	4.6
Other non-current liabilities		4.0	4.4
Total non-current liabilities		**64.3**	**64.1**
Current liabilities			
Loans and borrowings	13	13.8	13.7
Trade and other payables		15.9	14.6
Current income tax liabilities		0.5	0.3
Total current liabilities		**30.2**	**28.6**
Total liabilities		**94.5**	**92.7**
Equity			
Share capital	14	-	-
Share premium		112.9	110.8
Other reserves	15	26.0	14.2
Retained earnings		37.1	43.9
Equity attributable to owners of parent		**176.0**	**168.9**
Non-controlling interests		10.6	10.2
Total equity		**186.6**	**179.1**
Total liabilities and equity		**281.1**	**271.8**

On behalf of the Board:

Liam Daniel
Chairman
1 September 2020

Darragh Lyons
Chief Executive Officer

Unaudited condensed consolidated statement of changes in equity

for the 6-month period ended 30 June 2020

	Unaudited – 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 €'m
At 1 January 2020	-	110.8	14.2	43.9	168.9	10.2	179.1
Comprehensive (loss)/income:							
(Loss)/profit for the period	-	-	-	(2.0)	(2.0)	0.3	(1.7)
Other comprehensive income	-	-	8.1	-	8.1	0.1	8.2
Total comprehensive (loss)/income for the period	**-**	**-**	**8.1**	**(2.0)**	**6.1**	**0.4**	**6.5**
Reclassification of fair value movements on disposal of financial assets at FVTOCI	-	-	5.1	(5.1)	-	-	-
Share-based compensation – issue of shares	-	2.1	(2.1)	-	-	-	-
Share-based compensation – expense	-	-	1.0	-	1.0	-	1.0
Share-based compensation – cancelled RSUs	-	-	(0.3)	0.3	-	-	-
Total transactions with shareholders	**-**	**2.1**	**3.7**	**(4.8)**	**1.0**	**-**	**1.0**
At 30 June 2020	**-**	**112.9**	**26.0**	**37.1**	**176.0**	**10.6**	**186.6**

Unaudited condensed consolidated statement of changes in equity

for the 6-month period ended 30 June 2019

	Unaudited – 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 €'m
At 1 January 2019	-	110.1	(15.3)	65.7	160.5	9.9	170.4
Comprehensive income:							
Profit for the period	-	-	-	3.9	3.9	0.1	4.0
Other comprehensive income	-	-	2.7	-	2.7	-	2.7
Total comprehensive income for the period	**-**	**-**	**2.7**	**3.9**	**6.6**	**0.1**	**6.7**
Reclassification of fair value movements on disposal of financial assets at FVTOCI	-	-	17.6	(17.6)	-	-	-
Share-based compensation – issue of shares	-	0.4	(0.4)	-	-	-	-
Share-based compensation – expense	-	-	1.3	-	1.3	-	1.3
Share-based compensation – cancelled RSUs	-	-	(1.3)	1.3	-	-	-
Total transactions with shareholders	**-**	**0.4**	**17.2**	**(16.3)**	**1.3**	**-**	**1.3**
At 30 June 2019	**-**	**110.5**	**4.6**	**53.3**	**168.4**	**10.0**	**178.4**

Unaudited condensed consolidated statement of cash flows

for the 6-month period ended 30 June 2020

	Notes	Unaudited 6-month period to 30 June 2020 €'m	Unaudited 6-month period to 30 June 2019 €'m
Cash flows from operating activities			
(Loss)/profit for the period		(1.7)	4.0
Adjustments for:			
Amortisation of intangible assets	10	1.9	1.7
Depreciation of property, plant and equipment		0.8	0.8
Increase in inventory provision		0.3	0.3
Net share of gains and losses attributable to investments in associates	8	(3.0)	(9.5)
Share-based payments	17	1.0	1.3
2019 LTARG gain		(0.2)	-
Net finance costs		1.8	1.5
Fair value of income receivable		-	(0.4)
Tax expense/(benefit)	7	2.1	(1.3)
		3.0	**(1.6)**
Increase in inventory		(2.0)	(1.9)
(Increase)/decrease in trade and other receivables		(2.2)	0.1
Increase/(decrease) in trade and other payables		1.3	(0.1)
Income tax paid		(0.1)	(0.1)
Interest and finance expenses paid		(1.4)	(1.4)
Net cash used in operating activities		**(1.4)**	**(5.0)**
Cash flows from investment activities			
Purchase of investment in associate		-	(3.5)
Purchase of financial asset at FVTOCI		-	(2.8)
Proceeds from disposal of financial assets at FVTOCI	9	1.5	0.5
Purchase of intangible assets	10	(1.0)	(0.7)
Purchase of property, plant and equipment		(0.3)	(0.8)
Net cash from/used in investing activities		**0.2**	**(7.3)**
Cash flows from financing activities			
Proceeds from issuance of Ordinary Shares		-	-
Repayment of loans and borrowings		(1.7)	(1.7)
Proceeds from drawdown of loans and borrowings		0.5	-
Payment of lease liabilities		(0.3)	(0.3)
Increase in restricted cash balances		(0.3)	(0.8)
Net cash used in financing activities		**(1.8)**	**(2.8)**
Net decrease in cash and cash equivalents		**(3.0)**	**(15.1)**
Cash and cash equivalents at beginning of period		28.2	43.3
Exchange gains/(losses) on cash and cash equivalents		0.1	(0.1)
Cash and cash equivalents at end of period		**25.3**	**28.1**
Add restricted cash	12	19.6	5.4
Cash and cash equivalents at end of period including restricted cash		**44.9**	**33.5**

Notes to the unaudited condensed consolidated financial statements

for the 6-month period ended 30 June 2020

1. General information and basis of preparation

Malin Corporation plc ("the Company") is an Irish incorporated and domiciled public limited company trading on the Euronext Growth Market of Euronext Dublin.

The unaudited condensed consolidated interim financial statements as at and for the 6-month period ended 30 June 2020 (the "interim consolidated financial statements") include the financial statements of the Company and all of its subsidiary undertakings (together referred to as "the Group" or "Malin").

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as adopted by the European Union ("EU"). They do not include all of the information required for full annual statutory financial statements and should be read in conjunction with the audited consolidated financial statements of Malin Corporation plc as at and for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

These results are unaudited but were reviewed by the Company's auditors. The statutory financial statements for the year ended 31 December 2019, together with the independent auditor's report thereon, have been filed with the Companies Registration Office and are available on the Company's website, www.malinplc.com. The auditor's report on those financial statements was not modified.

The interim consolidated financial statements are presented in euro, rounded to the nearest million (€'m) unless otherwise stated. Euro is the functional currency of the Company and also the presentation currency for the Group's financial reporting. The interim consolidated 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.

The preparation of the interim consolidated financial statements requires management to make judgments, 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 consolidated financial statements, the critical judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2019.

The Company's approach to managing cash resources is to ensure as far as possible that it will have sufficient cash resources to:

- Fund its ongoing activities and future capital commitments;
- Ensure funds exist to allow for the selective and efficient deployment of capital in investee company businesses which have potential to create further shareholder value; and
- Maintain sufficient financial resources to mitigate against risks and unforeseen events.

As at 30 June 2020, the Company's main source of funding was a combination of equity and debt finance. The Company raised €372.0 million on equity markets in 2015 and a further €54.8 million across 2017 and 2018. The Company's subsidiary, Malin Life Sciences Holdings Limited ("MLSHL"), has €55.0 million of debt capital with the European Investment Bank ("EIB"). The debt is repayable on a tranched basis from drawdown following a four-year interest-only period with the first principal repayment made in July 2020. Altan Pharma Limited ("Altan"), a subsidiary of the Group, also has a loan balance with a carrying value of €12.6 million as at 30 June 2020.

At 30 June 2020, Malin's consolidated cash and cash equivalents balance was €44.9 million which includes cash and cash equivalent balances of €5.6 million held by its investee subsidiary companies and €39.3 million held by Malin and Malin's corporate subsidiaries.

Notes to the unaudited condensed consolidated financial statements (continued)

1. General information and basis of preparation (continued)

Malin has significantly reorganised its business over the past two years with management targeting annual corporate cash operating expenses of below €4 million. Several of Malin's assets are targeting significant clinical milestones within the next 12 months which could result in near-term value accretion and potential cash realisations which would strengthen the Company's cash resources.

Going Concern

At 30 June 2020, Malin's consolidated cash and cash equivalents balance was €44.9 million which includes cash and cash equivalent balances of €5.6 million held by its investee subsidiary companies and €39.3 million held by Malin and Malin's corporate subsidiaries, of which €19.6 million is regarded as restricted cash.

To date, COVID-19 has not had a significant impact on the Group as the investee companies continue to work to minimise the impact of the COVID-19 pandemic on their operations, including clinical trials' execution and commercial activity. Malin remains focused on closely monitoring, assessing and seeking to mitigate the actual and potential future impacts of COVID-19 on business activities. COVID-19 has not impacted Malin's near-term cash requirements.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of this report. For this reason, the Directors continue to adopt the going concern basis of accounting in preparing the interim consolidated financial statements for the 6-month period ended 30 June 2020.

2. Significant accounting policies

The accounting policies applied in these interim consolidated financial statements are consistent with those applied in the audited consolidated financial statements as at and for the year ended 31 December 2019 as none of the newly effective amendments to IFRS standards had an impact on the Group in the 6-month period to 30 June 2020.

A number of new standards, amendments to standards and interpretations are not yet effective for the period and have not yet been applied in preparing the financial statements. The Group is in the process of assessing the impact on the financial statements of these new standards and amendments. Management expects no material impact on the Group's financial statements on adoption of these amendments.

3. Critical accounting estimates and judgments

The critical accounting estimates and judgments applied in these interim financial statements are consistent with those applied in the audited consolidated financial statements as at and for the year ended 31 December 2019.

4. Revenue

All of the Group's revenue for the 6-month period to 30 June 2020 is attributable to Malin's investee subsidiary, Altan (2019: €17.8 million). Altan's revenue is derived from contracts with customers for the utilisation of rights to pharmaceutical products which primarily includes the sale of generic injectable medications, to hospitals and other healthcare providers. Altan is also engaged in research and development activities.

The Group's revenues are analysed below based on the geographical location of customers.

	6-month period to 30 June 2020 €'m	6-month period to 30 June 2019 €'m
Spain	10.1	8.8
Europe (excluding Spain)	5.6	3.9
Rest of world	6.1	6.6
	21.8	**19.3**

5. Operating segments

Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the "CODM"). The Group is organised, reviewed and analysed internally by the CODM in a single operating segment structure. The CODM, responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Chief Executive Officer of the Group. The geographic information analysis of the Group's revenue, which is based on the geographic location of customers, is outlined in note 4. The Group's non-current assets are situated in Europe.

6. Cost of sales and operating expenses

The operating expenses that arose during the 6-month period to 30 June 2020 are analysed below.

	Cost of sales expenses €'m	Research and development expenses €'m	Selling, general and administrative expenses €'m	Total €'m
Malin corporate subsidiaries	-	-	1.6[1]	1.6
Investee subsidiary companies	15.4	1.6	3.2[2]	20.2
Founder Equity and Malin share-based payment charges (note 17)	-	-	1.0	1.0
2019 LTARG fair value gain	-	-	(0.2)	(0.2)
	15.4	**1.6**	**5.6**	**22.6**

1. Includes non-cash charges of €0.1 million.
2. Includes depreciation of €0.3 million relating to right-of-use assets recognised under IFRS 16.

Notes to the unaudited condensed consolidated financial statements (continued)

6. Cost of sales and operating expenses (continued)

The operating expenses that arose during the 6-month period to 30 June 2019 are analysed below.

	Cost of sales expenses €'m	Research and development expenses €'m	Selling, general and administrative expenses €'m	Total €'m
Malin corporate subsidiaries	-	-	3.3[1]	3.3
Malin corporate subsidiaries – exceptional charges	-	-	0.6[2]	0.6
Investee subsidiary companies	13.9	1.3	4.2[3]	19.4
Founder Equity and Malin share-based payment charges	-	-	1.3	1.3
	13.9	**1.3**	**9.4**	**24.6**

1 Includes €nil depreciation charge relating to Malin's corporate subsidiaries for the period.
2 Relates to onerous research funding contract.
3 Includes depreciation of €0.3 million relating to right-of-use assets recognised as a result of the adoption of IFRS 16.

7. Income tax

	6-month period to 30 June 2020 €'m	6-month period to 30 June 2019 €'m
Current tax expense	0.1	0.3
Deferred tax expense/(benefit)	2.0	(1.6)
Income tax expense/(benefit)	**2.1**	**(1.3)**

The income tax expense/(benefit) for the period can be reconciled to the expected income tax expense/(benefit) at the effective rate of tax in Ireland as follows:

	6-month period to 30 June 2020 €'m	6-month period to 30 June 2019 €'m
Profit before tax	0.4	2.7
Tax at the Irish corporation tax rate of 12.5%	0.1	0.3
Income taxed at higher rates	2.0	(0.1)
Expenses not deductible for tax purposes	(0.1)	(0.3)
Unused tax losses for which no deferred tax asset is recognised (no expiry date)	0.2	(1.2)
Prior period adjustment	(0.1)	-
Income tax expense/(benefit) on net loss	**2.1**	**(1.3)**

7. Income tax (continued)

The current tax expense comprises corporation tax payable in Ireland and the UK on normal business activities.

The deferred tax expense mainly arises due to the recognition of a deferred tax liability for potential tax payable in the future as well as the release to the income statement of previously recognised deferred tax liabilities and the utilisation of a deferred tax asset for tax losses in Altan.

The total deferred tax liability at 30 June 2020 was €6.4 million (31 December 2019: €4.6 million) arising from deferred tax recognised on the acquisition of Altan in 2015 and deferred tax recognised on potential tax payable in the future. The total deferred tax asset at 30 June 2020 was €2.0 million (31 December 2019: €2.2 million) arising from temporary differences and tax losses in Altan.

Deferred tax assets have not been recognised in respect of certain tax losses of the Group amounting to €72.7 million (31 December 2019: €72.0 million) because it is not probable that future taxable profits will be available against which the Group can use these tax losses.

8. Investments in associates

At 30 June 2020, Malin had five associates (31 December 2019: five), all of which are accounted for using the equity method of accounting.

	6-month period to 30 June 2020 €'m	Year to 31 December 2019 €'m
At 1 January	47.5	88.1
Cash consideration for investments in associates	-	3.5
Cash distributions from investment in associate	-	(0.7)
Disposal of investment in associate	-	(12.0)
Immunocore Transaction: reclassification to financial assets at FVTOCI	-	(32.9)
Share of net losses of investments in associates:		
Income statement – share of losses	(12.8)	(24.4)
Income statement – net gain on change in equity ownership of investments in associates	15.8	24.9
Other comprehensive income – foreign currency transaction	(0.2)	1.0
At period/year end	**50.3**	**47.5**

The Group's share of the results of associates and its share of their net assets, for the current and comparative periods, have been set out on the following two pages.

Notes to the unaudited condensed consolidated financial statements (continued)

8. Investments in associates (continued)

	Poseida €'m	Viamet €'m	Other Associates[1] €'m	Total €'m
Total comprehensive income/(loss) for 6-month period ended 30 June 2020:				
Loss for the period attributable to the Group	(12.4)	-	(0.4)	(12.8)
Gain on change in equity ownership of investments in associate[2]	15.8	-	-	15.8
Other comprehensive loss for the year attributable to the Group[3]	(0.2)	-	-	(0.2)
Total comprehensive income for the 6-month period ended 30 June 2020	**3.2**	**-**	**(0.4)**	**2.8**
Statement of financial position as at 30 June 2020:				
Non-current assets	47.0	0.1	0.4	47.5
Current assets	152.9	0.2	0.7	153.8
Non-current liabilities	(67.5)	-	(1.6)	(69.1)
Current liabilities	(25.5)	-	(0.7)	(26.2)
Net assets at 30 June 2020	**106.9**	**0.3**	**(1.2)**	**106.0**
Malin's share of net assets	**20.5**	**-**	**(0.2)**	**20.3**
Malin's ownership interest at 30 June 2020 (rounded %)	19%	15%		
Malin's interest in the investee at 1 January 2020	30.6	16.1	0.8	47.5
Total comprehensive loss attributable to the Group	3.2	-	(0.4)	2.8
Carrying amount of investee at 30 June 2020[4]	**33.8**	**16.1**	**0.4**	**50.3**

1. Malin does not consider its equity method investments in Artizan Biosciences, LLC ("Artizan"), KNOW Bio, LLC ("KNOW Bio") and Jaan Health, Inc. ("Jaan Health") to be individually significant and has elected to group these investments into one category, in both the current period and prior comparative period.
2. Represents a gain or loss arising on the recalculation of Malin's equity interest in its associate investee companies following the completion of funding rounds or issued share capital dilution, subsequent to Malin's initial investment in these investee companies, in which Malin may or may not have participated.
3. Represents foreign currency translation adjustments.
4. The difference between the carrying amount of the investee company and Malin's share of the net assets of its associate investee companies relates to goodwill arising on the initial investment in the company.

8. Investments in associates (continued)

	Poseida €'m	Immunocore €'m	Viamet €'m	3D4Medical €'m	Other Associates[1] €'m	Total €'m
Total comprehensive income/(loss) for year ended 31 December 2019:						
Gain/(loss) for the year attributable to the Group	(16.3)	(7.0)	(0.4)	0.1	(0.8)	(24.4)
Gain/(loss) on changes in equity ownership of investments in associates[2]	24.4	(0.4)	0.4	-	0.5	24.9
Other comprehensive income/(loss) for the year attributable to the Group[3]	0.5	(0.3)	0.3	0.5	-	1.0
Total comprehensive income/(loss) for the year ended 31 December 2019	**8.6**	**(7.7)**	**0.3**	**0.6**	**(0.3)**	**1.5**
Statement of financial position as at 31 December 2019:						
Non-current assets	17.7	-	-	-	0.4	18.1
Current assets	113.6	-	0.3	-	1.1	115.0
Non-current liabilities	(46.9)	-	-	-	-	(46.9)
Current liabilities	(19.5)	-	(0.1)	-	(0.6)	(20.2)
Net assets at 31 December 2019	**64.9**	**-**	**0.2**	**-**	**0.9**	**66.0**
Malin's share of net assets	**14.9**	**-**	**-**	**-**	**0.1**	**15.0**
Malin's ownership interest at 31 December 2019 (rounded %)	23%	-	15%	-		
Malin's interest in the investee at 1 January 2019	18.5	40.6	16.5	11.4	1.1	88.1
Net cash consideration for investments in associates during the year	3.5	-	(0.7)	-	-	2.8
Disposal of investment in associate	-	-	-	(12.0)	-	(12.0)
Immunocore Transaction: reclassification of investment in associate to financial assets at FVTOCI	-	(32.9)	-	-	-	(32.9)
Total comprehensive income/(loss) attributable to the Group	8.6	(7.7)	0.3	0.6	(0.3)	1.5
Carrying amount of investee at 31 December 2019[4]	**30.6**	**-**	**16.1**	**-**	**0.8**	**47.5**

1. Malin does not consider its equity method investments in Artizan, KNOW Bio and Jaan Health to be individually significant and has elected to group these investments into one category, in both the current period and prior comparative period.
2. Represents a gain or loss arising on the recalculation of Malin's equity interest in its associate investee companies following the completion of funding rounds or issued share capital dilution, subsequent to Malin's initial investment in these investee companies, in which Malin may or may not have participated.
3. Represents foreign currency translation adjustments.
4. The difference between the carrying amount of the investee company and Malin's share of the net assets of its associate investee companies relates to goodwill arising on the initial investment in the company.

Notes to the unaudited condensed consolidated financial statements (continued)

9. Financial assets at FVTOCI

	6-month period to 30 June 2020 €'m	Year ended 31 December 2019 €'m
At 1 January	110.0	59.2
Cash consideration for financial asset investments	-	2.8
Return of capital from financial asset investments	(1.5)	(1.3)
Immunocore Transaction: reclassification from investment in associate	-	32.9
Immunocore Transaction: fair value movements recognised in income statement	-	5.5
Immunocore Transaction: fair value movement recognised in other comprehensive income (reclassification of cumulative foreign exchange differences)	-	15.5
Fair value movement recognised in other comprehensive income (including exchange differences)	8.8	(4.6)
At period/year end	**117.3**	**110.0**

The breakdown of the Group's financial assets at FVTOCI is set out below:

	30 June 2020 €'m	31 December 2019 €'m
Unlisted securities:		
Immunocore	49.8	52.1
Kymab	27.7	27.5
Xenex	34.3	22.8
Wren	5.5	5.9
Listed security:		
Novan	-	1.7
At period/year end	**117.3**	**110.0**

Foreign exchange differences

The total fair value gain of €8.8 million recognised in the 6-month period to 30 June 2020 includes €1.4 million of foreign exchange losses primarily related to the weakening of the US Dollar and Pound Sterling.

Listed security

Malin initiated selling its interest in Novan during 2019 and during the 6-month period to 30 June 2020, Malin divested of its remaining position in Novan generating proceeds of €1.5 million. In relation to shares sold in 2020, Malin recognised a fair value reduction of €0.2 million, including foreign exchange translation, for the period to the date of disposal, in the statement of other comprehensive income as a movement through the FVTOCI reserve account. On disposal of these shares, €5.1 million of fair value losses relating to this investment included in other reserves was reclassified to retained earnings.

10. Goodwill and other intangible assets

	Goodwill €'m	Customer Lists €'m	IPR&D €'m	Other Intangibles €'m	Total €'m
Cost:					
At 1 January 2020	24.2	26.9	11.8	13.1	76.0
Additions	-	-	-	1.0	1.0
At 30 June 2020	**24.2**	**26.9**	**11.8**	**14.1**	**77.0**
Accumulated amortisation and impairment losses:					
At 1 January 2020	(13.6)	(12.1)	(11.8)	(4.2)	(41.7)
Charged during the period	-	(1.3)	-	(0.6)	(1.9)
At 30 June 2020	**(13.6)**	**(13.4)**	**(11.8)**	**(4.8)**	**(43.6)**
Net book value: 30 June 2020	**10.6**	**13.5**	**-**	**9.3**	**33.4**
Net book value: 1 January 2020	10.6	14.8	-	8.9	34.3

	Goodwill €'m	Customer Lists €'m	IPR&D €'m	Other Intangibles €'m	Total €'m
Cost:					
At 1 January 2019	24.8	26.9	11.8	11.6	75.1
Additions	-	-	-	1.8	1.8
Disposals	-	-	-	(0.3)	(0.3)
Derecognition of goodwill	(0.6)	-	-	-	(0.6)
At 31 December 2019	**24.2**	**26.9**	**11.8**	**13.1**	**76.0**
Accumulated amortisation and impairment losses:					
At 1 January 2019	(13.6)	(9.4)	(11.8)	(3.6)	(38.4)
Charged during the year	-	(2.7)	-	(0.8)	(3.5)
Disposals	-	-	-	0.2	0.2
At 31 December 2019	**(13.6)**	**(12.1)**	**(11.8)**	**(4.2)**	**(41.7)**
Net book value: 31 December 2019	**10.6**	**14.8**	**-**	**8.9**	**34.3**
Net book value: 1 January 2019	11.2	17.5	-	8.0	36.7

Goodwill represents the excess of the consideration paid over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. The Group tests goodwill for impairment at least annually or whenever there is an indication that goodwill may be impaired. This testing involves determining the recoverable amount of the relevant cash-generating unit (being each subsidiary company) and comparing this to the carrying amount of the investee company. In light of the COVID-19 pandemic, management assessed whether there were any indicators of impairment of the Group's goodwill or other intangible assets and concluded that there were none.

Notes to the unaudited condensed consolidated financial statements (continued)

11. Trade and other receivables and non-current assets

	30 June 2020 €'m	31 December 2019 €'m
Trade and other current assets		
Trade receivables	6.0	4.3
Prepayments	0.4	0.2
VAT recoverable	0.4	0.5
Financial assets at FVTPL	1.7	-
Other debtors	0.1	-
	8.6	**5.0**
Other non-current assets		
Financial assets at FVTPL	0.8	2.5
	0.8	**2.5**

12. Cash and cash equivalents

	30 June 2020 €'m	31 December 2019 €'m
Cash held by Malin and Malin corporate subsidiaries	39.3	42.6
Cash held by Malin investee company subsidiaries	5.6	4.9
	44.9	**47.5**

As at 30 June 2020, the Group's cash and cash equivalents balance included a restricted cash balance of €19.6 million (31 December 2019: €19.3 million). Restricted cash comprises cash that Malin is required to hold in a separate cash sweep account under the terms of the EIB debt facility, being 25% of investment realisation proceeds and cash held in a separate account secured to the EIB, in respect of the aggregate principal and interest payments scheduled for the following 12 months.

13. Borrowings

As at 30 June 2020, the Company's subsidiary, MLSHL, had an outstanding balance of €55.1 million (31 December 2019: €55.0 million) related to the EIB debt. The debt is repayable on a tranched basis from drawdown following a four-year interest-only period with the first principal repayments paid subsequent to the period end, in July 2020.

As at 30 June 2020, €12.6 million of the Group's borrowings (31 December 2019: €13.8 million) relates to loans obtained by Altan. The majority of this loan balance comprises a loan for a term of 48 months.

The carrying value of the Group's borrowings at 1 January 2020 was €68.8 million. During the 6-month period to 30 June 2020, €0.5 million of loans were drawn down, €1.7 million of loan principal repaid, €0.1 million of loan arrangement costs amortised, €1.4 million of loan interest expensed and €1.4 million of loan interest repaid. The carrying value of the Group's borrowings at 30 June 2020 was €67.7 million, excluding the lease liability of €0.8 million.

14. Share capital

Authorised share capital

There were no changes to the authorised share capital in the 6-month period to 30 June 2020.

Issued share capital

During the 6-month period to 30 June 2020, 195,703 new Ordinary Shares were issued under the 2015 Long Term Investment Plan ("2015 LTIP"). The proceeds arising on issuance of the shares under the 2015 LTIP consisted of the nominal value of the shares. There were no other changes to the issued share capital of the Company during 6-month period to 30 June 2020.

As at 30 June 2020, the issued share capital consisted of 45,945,888 Ordinary Shares of nominal value €0.001 each and 3,279,299 A Ordinary Shares of nominal value €0.001 each. As at 31 December 2019, the issued share capital consisted of 45,750,185 Ordinary Shares of nominal value €0.001 each and 3,279,299 A Ordinary Shares of nominal value €0.001 each.

15. Other reserves

	Share-based payment reserve €'m	FVTOCI reserve €'m	Foreign currency translation reserve €'m	Re-measurement of NCI €'m	Total €'m
At 1 January 2020	29.0	(14.4)	(1.3)	0.9	14.2
Founder A Ordinary Shares expense	0.2	-	-	-	0.2
2015 LTBP and 2015 LTIP charges	0.8	-	-	-	0.8
2015 LTIP – cancelled RSUs	(0.3)	-	-	-	(0.3)
Issuance of shares – share-based payments	(2.1)	-	-	-	(2.1)
Currency translation:					
Arising in the period – subsidiaries	-	-	(0.5)	-	(0.5)
Arising in the period – associates	-	-	(0.2)	-	(0.2)
Reclassification of accumulated fair value reserves on disposed / reclassified investments to retained earnings	-	5.1	-	-	5.1
Financial assets at FVTOCI – fair value movement (including foreign currency)	-	8.8	-	-	8.8
At 30 June 2020	**27.6**	**(0.5)**	**(2.0)**	**0.9**	**26.0**

Notes to the unaudited condensed consolidated financial statements (continued)

15. Other reserves (continued)

	Share-based payment reserve €'m	FVTOCI reserve €'m	Foreign currency translation reserve €'m	Re-measurement of NCI €'m	Total €'m
At 1 January 2019	28.5	(27.5)	(17.4)	1.1	(15.3)
Founder A Ordinary Shares expense	0.8	-	-	-	0.8
2015 LTBP and 2015 LTIP charges	1.7	-	-	-	1.7
2015 LTIP – cancelled RSUs	(1.3)	-	-	-	(1.3)
Issuance of shares – share-based payments	(0.7)	-	-	-	(0.7)
Currency translation:					
Arising in the period – subsidiaries	-	-	(0.2)	-	(0.2)
Arising in the period – associates	-	-	1.0	-	1.0
Arising in the period – recycle of FX – associates	-	-	(0.2)	-	(0.2)
Reclassification of accumulated fair value reserves on disposed / reclassified investments to retained earnings	-	17.7	-	-	17.7
Immunocore Transaction: reclassification of previously recognised foreign currency translation of investment in associate	-	-	15.5	-	15.5
Financial assets at FVTOCI – fair value movement (including foreign currency)	-	(4.6)	-	-	(4.6)
Transactions with NCI	-	-	-	(0.2)	(0.2)
At 31 December 2019	**29.0**	**(14.4)**	**(1.3)**	**0.9**	**14.2**

Share-based payment reserve

The share-based payment reserve comprises the amounts expensed in the income statement in connection with share-based payments which were unissued at the reporting date.

FVTOCI reserve

The FVTOCI reserve comprises unrealised gains and losses arising from changes in the fair value of financial assets at fair value through other comprehensive income including changes arising from foreign currency translation.

Foreign currency translation reserve

The Group's foreign currency translation reserve represents all foreign exchange differences arising from the translation of the net assets of Group's non-euro denominated operations, including the translation of the profits and losses of such operations from the actual 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.

Re-measurement of NCI

This reserve category represents re-measurement of the non-controlling interest ("NCI") following step-up investments and additions to, disposals of, Malin's subsidiaries which resulted in movements in Malin's ownership interests.

16. Earnings or Loss per Ordinary Share

Basic earnings or loss per share is computed by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit 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 and outstanding restricted stock units ("RSUs").

	6-month period to 30 June 2020 €'m	6-month period to 30 June 2019 €'m
Numerator:		
Net (loss)/profit for the period attributable to equity holders of the parent	(2.0)	3.9
Denominator:		
Basic weighted average number of Ordinary Shares outstanding for the period	45.9	45.9
Impact of unvested Founder A Ordinary Shares		3.3
Impact of outstanding RSUs granted but not yet vested		0.4
Diluted weighted average number of Ordinary Shares outstanding for the period		49.6
Basic (loss)/earnings per share (euro per share)	**(€0.04)**	**€0.08**
Diluted (loss)/earnings per share (euro per share)	**(€0.04)**	**€0.08**

As at 30 June 2020, there were 3,279,299 unvested Founder A Ordinary Shares and 332,900 outstanding RSUs that could potentially have a dilutive impact on earnings per share in the future. As a net loss was recorded in the period, the dilutive potential shares are anti-dilutive for the loss per share.

17. Share-based compensation

	6-month period to 30 June 2020 €'m	6-month period to 30 June 2019 €'m
Founder A Ordinary Shares expense	0.2	0.4
Long-term Bonus Plan expense	0.6	0.6
Long-term Incentive Plan expense	0.2	0.3
	1.0	**1.3**

Notes to the unaudited condensed consolidated financial statements (continued)

17. Share-based compensation (continued)

Long-term Incentive Plan

There were no awards made in the 6-month period to 30 June 2020 under the 2015 LTIP. The RSUs outstanding at 30 June 2020 and 31 December 2019 are summarised below:

	30 June 2020	31 December 2019
Outstanding at beginning of year	586,771	892,370
Granted	-	-
Exercised – issued	(195,703)	(88,124)
Cancelled[1]	(58,168)	(217,475)
Outstanding at end of year	**332,900**	**586,771**

1. Represents RSUs which were cancelled or lapsed due to vesting conditions not being achieved.

18. Financial instruments

Set out below is a comparison of the carrying amounts and fair values of financial assets and liabilities at 30 June 2020 and 31 December 2019. The tables do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The fair value measurement techniques used are consistent with those described in the audited consolidated financial statements as at and for the year ended 31 December 2019.

	30 June 2020		31 December 2019	
	Carrying amount €'m	Fair value €'m	Carrying amount €'m	Fair value €'m
Financial assets:				
Financial assets at FVTOCI	117.3	117.3	110.0	110.0
Financial assets at FVTPL	2.5	2.5	2.5	2.5
At period/year end	**119.8**	**119.8**	**112.5**	**112.5**
Financial liabilities:				
Interest bearing loans and borrowings	(67.3)	(61.4)	(68.3)	(62.7)
Non-interest bearing loans and borrowings	(0.4)	(0.3)	(0.5)	(0.4)
2019 LTARG liability	(3.5)	(3.5)	(3.7)	(3.7)
At period/year end	**(71.2)**	**(65.2)**	**(72.5)**	**(66.8)**

18. Financial instruments (continued)

	Level 1 €'m	Level 2 €'m	Level 3 €'m	Total €'m
Financial assets measured at fair value:				
Financial assets at FVTOCI (unquoted equity shares)	-	-	117.3	117.3
Financial assets at FVTPL	-	-	2.5	2.5
At 30 June 2020	**-**	**-**	**119.8**	**119.8**
Financial liabilities measured at fair value:				
2019 LTARG liability	-	(3.5)	-	(3.5)
At 30 June 2020	**-**	**(3.5)**	**-**	**(3.5)**
Financial liabilities not measured at fair value:				
Interest bearing loans and borrowings	-	(61.4)	-	(61.4)
Non-interest bearing loans and borrowings	-	(0.3)	-	(0.3)
At 30 June 2020	**-**	**(61.7)**	**-**	**(61.7)**

	Level 1 €'m	Level 2 €'m	Level 3 €'m	Total €'m
Financial assets measured at fair value:				
Financial assets at FVTOCI (unquoted equity shares)	-	-	108.3	108.3
Financial assets at FVTOCI (quoted equity shares)	1.7	-	-	1.7
Financial assets at FVTPL	-	-	2.5	2.5
At 31 December 2019	**1.7**	**-**	**110.8**	**112.5**
Financial liabilities measured at fair value:				
2019 LTARG liability	-	(3.7)	-	(3.7)
At 31 December 2019	**-**	**(3.7)**	**-**	**(3.7)**
Financial liabilities not measured at fair value:				
Interest bearing loans and borrowings	-	(62.7)	-	(62.7)
Non-interest bearing loans and borrowings	-	(0.4)	-	(0.4)
At 31 December 2019	**-**	**(63.1)**	**-**	**(63.1)**

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 and a review of the individual circumstances of each investee company.
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the unaudited condensed consolidated financial statements (continued)

18. Financial instruments (continued)

Where quoted prices in active markets are not available, the standard identifies three 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. There were no transfers of financial instruments between fair value levels in the 6-month period to 30 June 2020.

Fair value of cash at bank and in hand

For cash at bank and in hand, the carrying value is deemed to reflect a reasonable approximation of fair value.

Fair value of borrowings

The fair value of borrowings is measured by discounting contractual cash flows at prevailing market interest and exchange rates.

Fair value of financial assets at FVTOCI

Financial assets at FVTOCI are re-measured to fair value at each reporting date. Any gains or losses arising on de-recognition of such assets will remain in equity and will not be recycled to the income statement. Fair value movements are recognised in the statement of other comprehensive income as a movement through the FVTOCI reserve account.

The Group's financial assets at FVTOCI held at 30 June 2020 were not traded in active markets. For non-listed financial assets at FVTOCI, the price that would be received to sell the asset in an orderly transaction between market participants at the reporting date, can typically be identified based on recent equity financing rounds. Management has made an assessment of the market and company performance in the intervening period, and determined that the recent investment price, or an adjusted version of the recent investment price, is a fair approximation of fair value at the reporting date. The fair value of Malin's investments in Kymab, Immunocore and Wren were determined based on the price of its most recent investment. The fair value of Xenex was determined having considered prior financing round valuations and market and risk inputs of comparative peers. This represents a change in valuation technique during the period as the fair value of Xenex at 31 December 2019 was determined based on recognising a discount to the company's third-party debt financing in September 2018.

The main assumption applied to investee company valuations based on a market-multiple methodology is the valuation multiple. This multiple is derived from comparable companies. Companies in the same industry and geography, and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. If the multiple used to value each unquoted investment valued on a revenue-multiples basis as at 30 June 2020 was to decrease by 10%, the fair value of this category would decrease by €3.5 million. If the multiple was to increase by 10%, then the fair value of this category would increase by €3.5 million.

Fair value of financial assets at FVTPL

Financial assets at FVTPL are remeasured to fair value at each reporting date. At 30 June 2020, the carrying value of financial assets at FVTPL is deemed to reflect their fair value.

19. Commitments and contingencies

As at 30 June 2020, Malin had a €1.6 million (£1.5 million) funding commitment to the University of Cambridge which it will settle through to January 2021. This has been recognised as a liability on the statement of financial position.

20. Related party transactions

There were no related party transactions or changes in related party transactions other than those described in the audited consolidated financial statements in respect of the year ended 31 December 2019 that could have a material impact on the financial position or performance of the Group in the 6-month period to 30 June 2020.

21. Events after the reporting date

On 10 July 2020, Poseida completed an initial public offering on Nasdaq at an IPO price of $16.00 per share, raising $224 million. Following the fundraising and completion of the IPO, Malin holds 9,188,125 shares in Poseida, representing 14.9% of the company's issued share capital at that time. At 31 August 2020, Poseida's share price had reduced to $9.39 per share, implying a fair value of Malin's investment in Poseida of $86.3 million on this date.

From 10 July 2020, the date of Poseida's public listing, management has determined that Malin no longer has the ability to exert significant influence over the financial and operating policy decisions of Poseida, resulting from the dilution of Malin's equity ownership and influence over the company. Malin will discontinue accounting for its investment in Poseida as an investment in associate in July 2020. The fair value estimate of Malin's investment in Poseida will be based on the company's IPO valuation on 10 July 2020. This reclassification from investment in associate to financial asset at FVTOCI will result in the derecognition of the carrying amount of Poseida as an investment in associate of €33.6 million and the recognition of an income statement gain of approximately €97 million in Malin's 2020 full year consolidated financial statements. Subsequent to reclassification, Malin will carrying its investment in Poseida at fair value, with any subsequent fair value movements being recognised through other comprehensive income.

In August 2020, Malin increased its stake in Kymab from approximately 8% to 10% by acquiring almost half of Link (formerly Woodford) Income Equity Fund's stake in the shareholder pre-emption process.

22. Approval of financial statements

The Board of Directors approved the interim consolidated financial statements for the 6-month period to 30 June 2020 on 1 September 2020.

Directors, Secretary and Advisers

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Luke Corning
Jean-Michel Cosséry, Ph.D
Kirsten Drejer, Ph.D
Darragh Lyons
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