MALIN

Interim Financial Statements
for the 6-month period ended 30 June 2021

Supporting exceptional
science and technology

"The first six months of 2021 have been a period of strong achievement for Malin as we delivered on our commitment to execute our business strategy…"

Darragh Lyons
Chief Executive Officer

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.

PERFORMANCE SNAPSHOT

As at 30 June 2021

Estimated intrinsic equity value (fair value of investee companies and net cash)	**€413.4 million**
Estimated intrinsic equity value per share	**€9.24**
Cash*	**€57.6 million**

*As 25 August 2021***

Estimated intrinsic equity value (fair value of investee companies and net cash)	**€391.9 million**
Estimated intrinsic equity value per share	**€8.83**
Cash*	**€54.9 million**

* Malin corporate subsidiaries only
** Represents IPEV fair value estimates at 30 June 2021 adjusted for an updated valuation of Malin's interests in Immunocore and Poseida as mark-to-market valuations at 25 August 2021

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H1 2021 Highlights

Notable clinical and transactional progress across Malin's investee companies – the drivers of potential value creation

kymab

Developing a deep pipeline of novel human antibody-based therapies across four main therapeutic areas – immuno-oncology, immune diseases, haematology and infectious diseases.

- Completed sale of the company to Sanofi for an upfront payment of approximately $1.1 billion and up to $350 million upon achievement of certain milestones.
- The sale delivers gross upfront proceeds to Malin of $113 million, of which $105 million (€88.2 million) was received in April 2021.
- Potential for Malin to receive up to a further $33 million on the achievement of certain milestones.

IMMUNOCORE targeting T cell receptors

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

- Raised $75 million in a Series C financing round, before completing an IPO on the Nasdaq Global Select Market alongside a concurrent private placement, raising $312 million.
- Biologics License Application (US FDA) and Marketing Authorisation Application (EMA) have been accepted for the approval of tebentafusp and we expect the therapy to be commercially launched in Q1 2022.
- Initiated patient dosing in its wholly owned clinical stage programme for chronic Hepatitis B and advanced several other programmes through the clinic.

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.

- Progressed its Phase 2 autologous CAR-T programme targeting BCMA, while continuing to seek to optimise the therapy's efficacy in a Phase 1 expansion study.
- Advanced the universal donor (or allogeneic) version of its BCMA-targeting product candidate through pre-clinical work with the aim of dosing the first patient in the coming months.
- Encouraging early data on product candidate for metastatic castrate-resistant prostate cancer, with further updates scheduled for the end of the month.

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, and onychomycosis, or fungal nail infection.

- Following the structured transaction through which NovaQuest Capital (Mycovia) acquired the oteseconazole 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.
- Submitted a New Drug Application to the US FDA, which is currently under review, following excellent Phase 3 data in December 2020 and January 2021.

ALTAN

Developing, manufacturing and marketing injectable medications for the hospital and other provider segments, committed to improving patient care by providing specialty medications of superior quality and value for the benefit of patients and caregivers.

- Announced definitive agreement to sell the company to Ethypharm in June 2021.
- The sale will deliver net proceeds to Malin of approximately €68 million.
- The closing of the transaction, which is subject to competition authority filings, is expected in the coming months.

Our vision is to deliver significant returns for our shareholders and transformative outcomes for patients by investing in and supporting highly innovative life sciences companies.

Chief Executive's Statement

Darragh Lyons

Chief Executive Officer

The first half of 2021 has been a period of strong achievement for Malin as we continued to see good execution of our business strategy, with the sale of Kymab and Altan at significant premiums to their last disclosed fair value estimates. The initial proceeds from the Kymab divestment of €88.2 million allowed us to fully repay our outstanding debt with the European Investment Bank and our cash position will be further enhanced when the sale of Altan closes during the second half of the year.

A focus of our business strategy over the past few years has been to protect and enhance our positions in our investee companies, insofar as possible, while these businesses worked towards reaching important clinical and operational milestones so that we could achieve maximal value for our stakes in these businesses. Several of our companies started to deliver strong clinical data and operational milestones over the past year, and this clinical and operational momentum has catalysed investment realisation opportunities for us, including the sale of both Kymab and Altan during the first half of 2021.

As we look ahead to the remainder of 2021, we will seek to demonstrate further execution of our business strategy with the close of the Altan company sale, an expected return of capital to shareholders and further value accretion from our remaining assets. We continue to work closely with each of our investee companies as they progress their clinical programmes, commercial strategies, and options for value creation, whilst remaining resolutely focused on our ultimate objective of creating significant value for our shareholders.

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Investee Company Updates

Kymab

Kymab's compelling top line data from its anti-OX40 ligand-targeting antibody, KY1005, supporting the potential of this antibody to benefit patients in multiple inflammatory diseases, ultimately led to the successful sale of the company to Sanofi in April of this year. Malin's share of the $1.1 billion upfront consideration paid by Sanofi is $113 million. Malin received $105 million (€88.2 million) of this consideration at the close of the sale, with the remainder due within 18 months. Malin could receive up to a further $33 million of consideration if certain milestones are achieved in the future.

Immunocore

Immunocore successfully completed an upsized IPO on Nasdaq in February of this year, raising gross proceeds of $312 million. Immunocore is now well positioned, from a capital and operational perspective, to deliver on its target of achieving product approval of its lead programme, tebentufusp, over the coming months, and progressing its broad pipeline of oncology and infectious disease product candidates. Earlier this month, the US FDA and European Medicines Agency accepted the company's Biologics License Application and Marketing Authorisation Application for the approval of tebentafusp and we expect the therapy to be commercially launched in Q1 2022. Tebentafusp has demonstrated a significant overall survival benefit in Phase 3 clinical trials of patients with metastatic uveal melanoma, a cancer that has historically proven to be insensitive to other immunotherapies. These Phase 3 data validate Immunocore's technology platform and give us confidence as we look forward to several important clinical milestones over the next year. These include possible proof-of-concept data from the company's Genentech-partnered MAGE-A4 programme and from the company's wholly owned PRAME programme. Both targets are expressed in a wide range of tumours, many of which represent significant unmet patient needs.

Poseida

Poseida is proceeding as planned with its universal donor, or allogeneic, version of its BCMA-targeting product candidate for the treatment of relapsed / refractory multiple myeloma, with an IND filing and initiation of a Phase 1 clinical trial on track for the third quarter of 2021. Poseida has continued to progress the autologous version of this BCMA-targeting product candidate in an ongoing Phase 1 dose expansion trial and a Phase 2 trial. We expect data updates on both programmes before the end of the year.

Poseida recently provided a very encouraging early data update on their autologous CAR-T product candidate being developed to treat patients with metastatic castrate-resistant prostate cancer. The company will provide a further update on the programme at the CAR-TCR Summit at the end of this month.

Another allogeneic product candidate targeting a solid tumour antigen MUC1-C, should also enter the clinic later this year or early next year.

Poseida is also progressing its gene therapy technologies and programmes with the target of initiating a clinical trial for its first liver-directed gene therapy program in 2022.

Although Poseida's share price performance since its IPO in July 2020 has been disappointing, we remain convinced that Poseida's technology platform can deliver meaningful and differentiated clinical outcomes in both gene and cell therapy.

Chief Executive's Statement
continued

We remain committed to our stated strategy of closely working with our investee companies to help them reach optimal value inflection points so that we can ultimately maximise value creation for our shareholders.

Viamet

Following excellent top-line Phase 3 data at the end of last year, Viamet's successor, Mycovia, has recently filed a New Drug Application with the US FDA for oteseconazole for the treatment of recurrent vulvovaginal candidiasis and we expect the product to be approved and launched during the first half of 2022. We expect the approval and launch of oteseconazole to trigger the inflow of recurring cash flows to Malin, alongside other shareholders in Viamet, from milestones and sales royalties committed to by Mycovia under the agreement through which they acquired Viamet's anti-fungal drug in 2018.

Altan

We announced the sale of Altan to Etypharm in June of this year. Over the past few years, we have been working to improve the operations, pipeline and geographic reach of Altan, to optimally position the business for an outright company sale. The sale transaction will deliver net proceeds to Malin of approximately €68 million upon close, a near-100% return on our original investment in Altan in 2015. We remain on track to close this transaction, which is subject to competition authority filings, in the months ahead.

Public Equities

Following Immunocore's IPO earlier this year and Poseida's 2020 IPO, we now have two public company holdings in our portfolio. While we welcome the additional flexibility that a liquid asset brings, we principally view the IPOs of these clinical-stage biotech companies as important financing events for both companies which facilitates them executing upon the tremendous potential of their differentiated technology platforms. While we would obviously prefer strong and enduring stock market performance from the companies, our absolute belief in both companies is not diminished by disappointing or volatile stock market performance. Both companies have very important clinical milestones over the next year which could catalyse significant value creation. As with all of our assets, we are committed to maintaining our positions in our investee companies until we believe optimal value inflection points have been reached.

Financial Update

The receipt of proceeds from the sale of Kymab of €88.2 million earlier this year facilitated the full repayment of our outstanding European Investment Bank debt balance of €45 million. Our corporate cash position at 30 June 2021 was €57.6 million and following the buyback of some additional Malin shares in July 2021 (further discussed below), we currently hold corporate cash of €54.9 million.

Our cash position will be increased by approximately €68 million when the sale of Altan closes over the coming months. As previously reported, we expect to undertake a significant return of capital to shareholders after the close of this transaction. Further details of the timing and mechanism of the return will be communicated after the Altan transaction closes.

The estimated intrinsic value per share of Malin at 30 June 2021 was €9.24. This has decreased to €8.83 at 25 August 2021 as a result of declines in the share prices of both our public company holdings, Immunocore and Poseida. The share price declines are broadly in line with overall biotech market weakness in this period. Further details of our intrinsic value is included on page 8.

Despite the progress of our investee companies, our share price remains at a significant discount to our estimated intrinsic value per share. We have taken advantage of this disconnect by buying back over 1.5 million shares in the market at a weighted average price per share of €6.34 over the past few months. We expect to continue to buy back shares in the market within the existing authority granted by shareholders at our AGM if the discount to intrinsic value remains.

Outlook

I am confident that we will see continued operational, clinical and transactional progress within Malin and our investee companies during the months ahead. We remain committed to our stated strategy of closely working with our investee companies to help them reach optimal value inflection points so that we can ultimately maximise value creation for our shareholders.

I look forward to communicating our progress to you and appreciate the continued support of our shareholders and other stakeholders.

Darragh Lyons

Darragh Lyons
Chief Executive Officer
25 August 2021

Finance Review

ESTIMATED INTRINSIC EQUITY VALUE PER SHARE

We believe that estimated intrinsic equity value per share is the most robust metric to assess the progress of Malin. Estimated intrinsic equity value is calculated using our estimate of the fair value of our investee company holdings in accordance with International Private Equity and Venture Capital Valuation ("IPEV") guidelines and adjusting this value for Malin's net cash, and has been presented as at 30 June 2021 and 25 August 2021.

Malin's estimated intrinsic equity value at 30 June 2021 was €9.24 per Ordinary Share, or €413.4 million. This estimated intrinsic equity value decreased to €8.83 per Ordinary Share, or €391.9 million, at 25 August 2021, as a result of declines in the share prices of Immunocore and Poseida, which are broadly in line with overall biotech market weakness in this period.

Estimated intrinsic equity value at 30 June 2021

As at 30 June 2021, the estimated intrinsic equity value of Malin was €413.4 million, encompassing an IPEV-compliant fair value of our interests in our investee companies of €355.8 million and net corporate cash of €57.6 million. The net increase in the intrinsic value during the first half of 2021 is primarily attributable to the sale of Kymab during the period at significant premium to the previous fair value estimate. It was further bolstered by a significant increase in the fair value estimate for Immunocore as a mark-to-market investment following the company's IPO earlier this year and an increase in the fair value estimate for Altan following the announcement in June that the company is to be sold to Ethypharm. These increases were partially offset by decreases in the underlying values of Poseida and Xenex.

Following the completion of the sale of Kymab in April, Malin received €88.2 million of upfront proceeds, with the €10.0 million balance remaining in the IPEV estimate representing amounts held in escrow and the fair value of future contingent consideration to Malin.

Malin's corporate cash position was €57.6 million at 30 June 2021. Following the receipt of the Kymab proceeds, Malin repaid the full outstanding debt balance of €45.0 million with the European Investment Bank and repurchased 1.2 million Ordinary Shares on Euronext Growth Dublin at an average price of €6.17 in the 6-month period to 30 June 2021. Malin also had €2.4 million of other investment inflows in the 6-month period to 30 June 2021.

Estimated intrinsic equity value at 25 August 2021

At 25 August 2021, the revised estimated intrinsic equity value of Malin was €391.9 million, encompassing an IPEV-compliant fair value of our interests in our investee companies of €337.0 million and net corporate cash of €54.9 million. The IPEV fair value estimate represents the IPEV fair value estimates and foreign exchange rates at 30 June 2021, adjusted for specified post period end developments. Malin's interests in Poseida and Immunocore, both Nasdaq-listed entities, have been updated to reflect the companies' market values on 25 August 2021, $9.78 and $30.50 respectively.

Malin's corporate cash position was €54.9 million at 25 August 2021. Malin has repurchased a further 0.3 million Ordinary Shares on Euronext Growth Dublin at an average price of €6.95 in the period since 30 June 2021.

	25 August 2021	30 June 2021		31 December 2020
IPEV fair value estimate[1,2]	€'m	Malin % shareholding[3]	€'m	€'m
Poseida	75.6	15%	77.5	82.1
Immunocore	60.6	5%	77.5	50.0
Kymab	10.0	-	10.0	89.5
Viamet	82.6	15%	82.6	83.0
Altan	68.1	65%	68.1	60.4
Xenex	30.0	11%	30.0	35.1
Other	10.1	-	10.1	11.4
Total	337.0		355.8	411.5
Net Cash				
Corporate cash	54.9		57.6	23.3
Debt	-		-	(45.0)
Total	54.9		57.6	**(21.7)**
Estimated intrinsic equity value	**391.9**		**413.4**	**389.8**
Estimated intrinsic equity value per share	**€8.83**		**€9.24**	**€8.48**

1 IPEV fair value estimate at 25 August 2021 represents IPEV fair value estimates as at 30 June 2021 with an updated valuation of Malin's interests in Poseida and Immunocore, as mark-to-market valuations at 25 August 2021.
2 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.

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

Corporate cash operating expenses

Malin's corporate cash operating expenses for the 6-month period to 30 June 2021 were €1.4 million.

Consolidated financial statements

As outlined in the 2020 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 2021, the carrying value of our investments in associates was €15.3 million and financial assets at FVTOCI was €194.3 million.

Statement of Directors' Responsibilities

for the 6-month period ended 30 June 2021

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
25 August 2021

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 2021 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 2021 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 and 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

25 August 2021

Unaudited condensed consolidated income statement

for the 6-month period ended 30 June 2021

	Notes	Unaudited 6-month period ended 30 June 2021 €'m	Unaudited 6-month period ended 30 June 2020 Restated* €'m
Administrative expenses	6	(2.2)	(2.4)
Operating loss		**(2.2)**	**(2.4)**
Share of gains/(losses) attributable to associates	8	0.3	(12.8)
Net gain on change in equity ownership of associates	8	0.4	15.8
Finance income		0.3	0.1
Finance expense		(1.0)	(1.2)
Loss before tax		**(2.2)**	**(0.5)**
Income tax benefit/(expense)	7	1.0	(2.2)
Loss after tax for continuing operations		**(1.2)**	**(2.7)**
Profit/(loss) after tax from discontinued operation	**5**	**(3.9)**	**1.0**
Loss for the period		**(5.1)**	**(1.7)**
Equity holders of the parent		(3.7)	(2.0)
Non-controlling interest		(1.4)	0.3
Earnings per share			
Basic loss per share attributable to owners of the parent (euro per share)	15	(€0.08)	(€0.04)
Diluted loss per share attributable to owners of the parent (euro per share)	15	(€0.08)	(€0.04)
Earnings per share – Continuing operations			
Basic loss per share attributable to owners of the parent (euro per share)	15	(€0.03)	(€0.06)
Diluted loss per share attributable to owners of the parent (euro per share)	15	(€0.03)	(€0.06)

*The comparative information is restated due to a discontinued operation. See note 5.

Unaudited condensed consolidated statement of comprehensive income

for the 6-month period ended 30 June 2021

	Notes	Unaudited 6-month period ended 30 June 2021 €'m	Unaudited 6-month period ended 30 June 2020 Restated* €'m
Loss after tax for the period		(5.1)	(1.7)
Other comprehensive income ("OCI"):			
Items that may be reclassified subsequently to the income statement			
Foreign currency translation differences – subsidiaries		(0.3)	(0.4)
Foreign currency translation differences – associates	8	0.5	(0.2)
Financial assets at FVTOCI – foreign currency translation	9	7.6	(1.1)
Items that will not be reclassified subsequently to the income statement			
Financial assets at FVTOCI – fair value movement	9	17.8	10.2
Financial assets at FVTOCI – foreign currency translation	9	1.1	(0.3)
Other comprehensive income for the period		**26.7**	**8.2**
Total comprehensive income for the period		**21.6**	**6.5**
Attributable to:			
Equity holders of the parent		23.1	6.1
Non-controlling interest		(1.5)	0.4

*The comparative information is restated due to a discontinued operation. See note 5.

Unaudited condensed consolidated statement of financial position

as at 30 June 2021

	Notes	Unaudited 30 June 2021 €'m	Audited 31 December 2020 €'m
Assets			
Non-current assets			
Investments in associates	8	15.3	14.8
Financial assets at FVTOCI	9	194.3	265.7
Intangible assets		0.1	29.1
Property, plant and equipment		0.2	10.3
Deferred tax asset	7	-	1.4
Other non-current assets	10	9.4	1.0
Total non-current assets		**219.3**	**322.3**
Current assets			
Inventories		-	12.1
Current tax asset	7	-	0.3
Trade and other receivables	10	1.6	7.7
Cash and cash equivalents (including restricted cash)	11	62.5	28.2
Assets held for sale	5	59.0	-
Total current assets		**123.1**	**48.3**
Total assets		**342.4**	**370.6**
Liabilities			
Non-current liabilities			
Loans and borrowings	12	-	42.2
Deferred tax liability	7	2.7	7.5
Other non-current liabilities		5.3	4.9
Total non-current liabilities		**8.0**	**54.6**
Current liabilities			
Loans and borrowings	12	-	13.7
Current income tax liabilities		-	0.1
Trade and other payables		2.7	12.1
Liabilities directly associated with the assets held for sale	5	27.3	-
Total current liabilities		**30.0**	**25.9**
Total liabilities		**38.0**	**80.5**
Equity			
Share capital	13	-	-
Share premium		112.9	112.9
Other reserves	14	(2.5)	34.3
Retained earnings		185.2	132.6
Equity attributable to owners of parent		**295.6**	**279.8**
Non-controlling interests		8.8	10.3
Total equity		**304.4**	**290.1**
Total liabilities and equity		**342.4**	**370.6**

On behalf of the Board:

Liam Daniel
Chair
25 August 2021

Darragh Lyons
Chief Executive Officer

Unaudited condensed consolidated statement of changes in equity

for the 6-month period ended 30 June 2021

	Share capital €'m	Share premium €'m	Other reserves €'m	Retained earnings €'m	Total €'m	Non-controlling interests €'m	Total €'m
At 1 January 2021	-	112.9	34.3	132.6	279.8	10.3	290.1
Comprehensive income/(loss):							
Loss for the period	-	-	-	(3.7)	(3.7)	(1.4)	(5.1)
Other comprehensive income/(loss)	-	-	26.8	-	26.8	(0.1)	26.7
Total comprehensive income/(loss) for the period	**-**	**-**	**26.8**	**(3.7)**	**23.1**	**(1.5)**	**21.6**
Reclassification of fair value gain on disposal of financial assets at FVTOCI	-	-	(62.0)	62.0	-	-	-
Share-based compensation – expense	-	-	0.1	-	0.1	-	0.1
Share-based compensation – lapsed RSUs	-	-	(1.7)	1.7	-	-	-
Buy back and cancellation of shares	-	-	-	(7.4)	(7.4)	-	(7.4)
Total transactions with shareholders	**-**	**-**	**(63.6)**	**56.3**	**(7.3)**	**-**	**(7.3)**
At 30 June 2021	**-**	**112.9**	**(2.5)**	**185.2**	**295.6**	**8.8**	**304.4**

Unaudited condensed consolidated statement of changes in equity

for the 6-month period ended 30 June 2020

	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 income/(loss):							
Gain/(loss) for the period	-	-	-	(2.0)	(2.0)	0.3	(1.7)
Other comprehensive income	-	-	8.1	-	8.1	0.1	8.2
Total comprehensive income/(loss) 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 cash flows

for the 6-month period ended 30 June 2021

	Notes	Unaudited 6-month period to 30 June 2021 €'m	Unaudited 6-month period to 30 June 2020 €'m
Cash flows from operating activities			
Loss for the period		(5.1)	(1.7)
Adjustments for:			
Amortisation of intangible assets		2.0	1.9
Depreciation of property, plant and equipment		0.7	0.8
Inventory provisions		0.1	0.3
Net gain on investments in associates	8	(0.7)	(3.0)
Share-based payments	16	0.1	1.0
2019 LTARGP charge/(gain)	6	0.6	(0.2)
Net finance costs		1.2	1.8
Tax expense/(benefit)		(1.2)	2.1
		(2.3)	3.0
Decrease/(increase) in inventory		0.1	(2.0)
Increase in trade and other receivables		(2.2)	(2.2)
Increase in trade and other payables		4.8	1.3
Income tax paid		(0.1)	(0.1)
Interest and finance expenses paid		(1.1)	(1.4)
Net cash used in operating activities		**(0.8)**	**(1.4)**
Cash flows from investing activities			
Proceeds from disposal of financial assets at FVTOCI	9	88.2	1.5
Proceeds from distribution from investment in associate	8	0.7	-
Proceeds from financial assets		1.7	-
Purchase of intangible assets		(0.6)	(1.0)
Purchase of property, plant and equipment		(0.5)	(0.3)
Decrease/(increase) in restricted cash balances		12.3	(0.3)
Net cash from/used in investing activities		**101.8**	**(0.1)**
Cash flows from financing activities			
Share buyback (purchase of own shares)	13	(7.4)	-
Repayment of loans and borrowings	12	(46.7)	(1.7)
Proceeds from drawdown of loans and borrowings		-	0.5
Payment of lease liabilities		(0.2)	(0.3)
Net cash used in financing activities		**(54.3)**	**(1.5)**
Net increase/(decrease) in cash and cash equivalents		**46.7**	**(3.0)**
Cash and cash equivalents at beginning of period		15.9	28.2
Exchange gains/(losses) on cash and cash equivalents		(0.1)	0.1
Cash and cash equivalents at end of period		**62.5**	**25.3**
Add restricted cash		-	19.6
Cash and cash equivalents at end of period including restricted cash		**62.5**	**44.9**

The accompanying notes form an integral part of these financial statements.

Notes to the unaudited condensed consolidated financial statements

for the 6-month period ended 30 June 2021

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 consolidated interim financial statements (the "financial statements") as at and for the 6-month period ended 30 June 2021 (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 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 2020, 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 2020, 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 2020, with two exceptions as detailed in note 3.

Cash resources and funding

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 2021, the Company's main source of funding was returns from investee companies. In April 2021, the sale of Kymab Group Limited ("Kymab") to Sanofi completed and Malin received $105 million (€88.2 million) of the initial proceeds of $113 million, with the remainder due within 18 months of the transaction close. The transaction also grants Malin the potential to receive up to a further $33 million on the achievement of certain milestones. In addition to the Kymab proceeds, Malin also received €2.4 million of other investment inflows in the first half of the year.

At 30 June 2021, Malin's corporate cash and cash equivalents balance was €57.6 million. During the 6-month period to 30 June 2021, the Company's subsidiary, Malin Life Sciences Holdings Limited ("MLSHL"), repaid the full outstanding debt balance of €45.0 million with the European Investment Bank ("EIB"). During this period, Malin also repurchased 1,204,000 Ordinary Shares on Euronext Growth Dublin at an average price of €6.17, for a total cost of €7.4 million.

1. General information and basis of preparation (continued)

Investee company developments subsequent to year end

On 18 June 2021, Malin and the other shareholders of investee company subsidiary Altan Pharma Limited ("Altan") entered into a definitive agreement with Ethypharm pursuant to which Ethypharm will acquire all outstanding shares of Altan. The closing of the transaction, which is subject to competition authority filings, is expected during the second half of 2021 and will further strengthen Malin's liquid resources.

Several of Malin's other investee companies are targeting significant clinical and operational milestones within the next 6-12 months which could result in near-term value accretion and potential cash realisations which could further bolster the Company's cash resources.

COVID-19

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 ongoing 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.

Going Concern

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 twelve 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 2021.

2. Significant accounting policies

Except as described below, 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 2020 as none of the newly effective amendments to IFRS standards had an impact on the Group in the 6-month period to 30 June 2021.

IFRS 5 Non-current assets held for sale and discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which, in the case of Malin investee company subsidiary, Altan, is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. On 18 June 2021, Malin and the other shareholders of Altan entered into a definitive agreement with Ethypharm pursuant to which Ethypharm will acquire all outstanding shares of Altan. This agreement satisfied the criteria for Altan to be classified as held for sale. In accordance with IFRS 5, the comparative income statement and statement of other comprehensive income are re-presented as if Altan had been discontinued from the start of the comparative period.

Other undenominated capital

This comprises of a capital redemption reserve which arises from the Company buying back and cancelling its Ordinary Shares.

New standards or amendments

There were no new standards effective for the period commencing 1 January 2021 that had a material impact on the Group. 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.

Notes to the unaudited condensed consolidated financial statements (continued)

3. Critical accounting estimates and judgments

The critical accounting estimates and judgments 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 2020, with the exception of the assessment of the carrying value of investments in associates, which is no longer deemed a critical accounting judgment in 2021 following the initial public offering of Poseida Therapeutics, Inc. ("Poseida") in 2020 and its subsequent reclassification to financial assets held at fair value through other comprehensive income ("FVTOCI"); and the assessment of the carrying value of goodwill, following the definitive agreement entered into for the sale of investee company subsidiary, Altan, in June 2021.

4. 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 Group's non-current assets are situated in Europe and North America.

5. Discontinued operation and non-current assets held for sale

The Group's discontinued operation for the 6-month period ended 30 June 2021 comprises the results of the Group's investee company subsidiary, Altan, following a definitive agreement signed in June 2021 to dispose of the Altan business. The conditions for the business to be classified as a discontinued operation have been satisfied, and accordingly, the results of Altan are presented separately as a discontinued operation in the consolidated income statement and statement of other comprehensive income; and the assets and liabilities of this business are classified as held for sale at the balance sheet date.

Malin owns approximately 65% of the issued share capital of Altan and the sale of Altan will deliver net proceeds to Malin of approximately €68 million after the repayment of Altan's net debt, the net settlement of outstanding share options and the payment of transaction related costs. Altan was not previously classified as held for sale or as a discontinued operation.

The following tables detail the results of discontinued operations included in the consolidated income statement, statement of financial position and statement of cash flows:

a. Results of discontinued operation

	6-month period to 30 June 2021 €'m	6-month period to 30 June 2020 €'m
Revenue	20.5	21.8
Cost of sales	(16.0)	(15.4)
Gross profit	**4.5**	**6.4**
Operating expenses	(8.1)	(4.8)
Operating profit/(loss)	**(3.6)**	**1.6**
Net finance costs	(0.5)	(0.7)
Income tax	0.2	0.1
Profit/(loss) after tax from discontinued operation	**(3.9)**	**1.0**
Attributable to:		
Equity holders of the parent	(2.5)	0.7
Non-controlling interest	(1.4)	0.3
Basic earnings/(loss) per share	**(€0.05)**	**€0.02**
Diluted earnings/(loss) per share	**(€0.05)**	**€0.02**

5. Discontinued operation and non-current assets held for sale (continued)

b. Cash flows from discontinued operation

	6-month period to 30 June 2021 €'m	6-month period to 30 June 2020 €'m
Net cash from operating activities	3.0	3.4
Net cash used in investing activities	(1.1)	(1.3)
Net cash used in financing activities	(1.9)	(1.4)
Net cash flows for the period	**-**	**0.7**

c. Held for sale assets and liabilities

	30 June 2021 €'m
Intangible assets	27.7
Property, plant and equipment	10.3
Deferred tax assets	1.3
Inventories	12.0
Trade and other receivables	7.5
Current tax receivable	0.2
Total assets	**59.0**
Loans and borrowings	9.4
Deferred tax liabilities	3.4
Trade and other payables	14.5
Total liabilities	**27.3**

Altan's cash balance of €4.9 million at 30 June 2021 is presented in the consolidated cash and cash equivalents balance of €62.5 million (note 11).

d. Loss after tax for continuing operations

	6-month period to 30 June 2021 €'m	6-month period to 30 June 2020 €'m
Equity holders of the parent	(1.2)	(2.7)
Non-controlling interest	-	-
Loss after tax for continuing operations	**(1.2)**	**(2.7)**

Notes to the unaudited condensed consolidated financial statements (continued)

6. Administrative expenses

The administrative expenses of Malin corporate subsidiaries that arose during the 6-month period to 30 June 2021 were €2.2 million, of which €1.4 million were corporate cash operating expenses. Included within Malin's administrative expenses were non-cash charges of €0.8 million, being €0.1 million of depreciation, €0.1 million of share-based payment charges (see note 16) and a €0.6 million charge relating to the 2019 Long Term Asset Realisation and Growth Plan ("2019 LTARGP") fair value charge.

The restated administrative expenses of Malin corporate subsidiaries that arose during the 6-month period to 30 June 2020 were €2.4 million, of which €1.5 million were corporate cash operating expenses. Included within Malin's administrative expenses were non-cash charges of €0.9 million, being €0.1 million of depreciation, €1.0 million of Founder Equity and share-based payment charges and a €0.2 million benefit to the income statement relating to the 2019 LTARGP fair value charge.

7. Income tax

	6-month period to 30 June 2021 €'m	6-month period to 30 June 2020 Restated* €'m
Current tax expense	-	0.1
Deferred tax expense/(benefit)	(1.0)	2.1
Income tax expense/(benefit)	**(1.0)**	**2.2**

*The comparative information is restated due to a discontinued operation. See note 5.

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

	6-month period to 30 June 2021 €'m	6-month period to 30 June 2020 Restated* €'m
Loss before tax	(2.2)	(0.5)
Tax at the Irish corporation tax rate of 12.5%	(0.3)	(0.1)
Income taxed at higher rates	(1.0)	2.2
Expenses not deductible for tax purposes	-	(0.1)
Unused tax losses for which no deferred tax asset is recognised (no expiry date)	0.3	0.2
Income tax expense/(benefit) on net loss	**(1.0)**	**2.2**

*The comparative information is restated due to a discontinued operation. See note 5.

The income tax benefit for the 6-month period ended 30 June 2021 was €1.0 million and comprises the partial reversal of a deferred tax liability for US tax payable in the future on investment realisations.

The total deferred tax liability at 30 June 2021 was €2.7 million (31 December 2020: €7.5 million) arising from deferred tax recognised on potential US tax payable in the future on investment realisations.

Deferred tax assets have not been recognised in respect of tax losses of the Group amounting to €73.3 million (31 December 2020: €72.3 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 2021, Malin had three associates (31 December 2020: three), all of which are accounted for using the equity method of accounting.

	6-month period to 30 June 2021 €'m	Year to 31 December 2020 €'m
At 1 January	14.8	47.5
Cash distributions from investment in associate	(0.7)	-
Poseida & Artizan Transactions: reclassification to financial assets at FVTOCI	-	(33.6)
Share of net losses of investments in associates:		
Income statement – share of profits/(losses)	0.3	(13.5)
Income statement – net gain on change in equity ownership of investments in associates	0.4	15.8
Other comprehensive income – foreign currency translation gain/(loss)	0.5	(1.4)
At period/year end	**15.3**	**14.8**

Viamet

Following the sale of Viamet Pharmaceuticals Holdings, LLC's ("Viamet") VT-1161 (oteseconazole) molecule to Mycovia in 2018, Malin will receive regulatory and commercial milestones and ongoing sales royalties assuming the successful development and commercialisation of the compound in at least one indication. During the 6-month period to 30 June 2021, Malin received €0.7 million ($0.9 million) in milestone payments from its investment in Viamet. In accordance with IAS 28 Investments in Associates and Joint Ventures, this distribution is accounted for as a reduction in the carrying amount of the investment with no impact on the consolidated income statement.

Share of losses and net gain on change in equity ownership

During the 6-month period to 30 June 2021, Malin recognised its share of profits on its investments in associates of €0.3 million, all of which related to Viamet.

During the 6-month period to 30 June 2021, Malin recognised a net gain on change in equity ownership of its investments in associate of €0.4 million, all of which related to Viamet.

Notes to the unaudited condensed consolidated financial statements (continued)

9. Financial assets at FVTOCI

	6-month period to 30 June 2021 €'m	Year to 31 December 2020 €'m
At 1 January	265.7	110.0
Cash consideration for financial asset investments	-	2.3
Return of capital from financial asset investments	(88.2)	(1.5)
Transfer of financial asset investment to financial asset held at FVTPL	(4.1)	-
Transfer of financial asset investment to other receivables	(5.6)	-
Poseida & Artizan Transactions: reclassification from investment in associate	-	33.6
Poseida & Artizan Transactions: fair value movements recognised in income statement	-	97.8
Poseida & Artizan Transactions: fair value movement recognised in other comprehensive income (reclassification of cumulative foreign exchange differences)	-	(0.5)
Fair value movement recognised in other comprehensive income (including exchange differences)	26.5	24.0
At period/year end	**194.3**	**265.7**

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

	30 June 2021 €'m	31 December 2020 €'m
Unlisted securities:		
Kymab	-	89.5
Xenex	29.4	34.6
Others	9.9	9.5
Listed securities:		
Immunocore	77.5	50.0
Poseida	77.5	82.1
At period/year end	**194.3**	**265.7**

Foreign exchange differences

The total fair value gain of €26.5 million recognised in the 6-month period to 30 June 2021 includes €8.7 million of foreign exchange gains primarily related to the strengthening of the US Dollar against the Euro in the period.

Kymab

In April 2021, Sanofi acquired all outstanding shares of Kymab for an upfront payment of approximately $1.1 billion and up to $350 million upon achievement of certain milestones. Malin owned approximately 10% of the issued share capital of Kymab and in April 2021, Malin received $105 million (€88.2 million) of the initial proceeds of $113 million, with the remainder due within 18 months of the transaction close. The transaction also granted Malin the potential to receive up to a further $33 million on the achievement of certain milestones.

On the close of this transaction, Malin recognised a fair value gain of €8.4 million, including foreign exchange translation of €2.7 million, for the period to the date of disposal of the Kymab investment, in the statement of other comprehensive income as a movement through the FVTOCI reserve account. On disposal of this investee company, €62.0 million of fair value gains relating to this investment included in other reserves was reclassified to retained earnings.

9. Financial assets at FVTOCI (continued)

In April 2021, the fair value estimate of the contingent consideration amounted to €4.1 million and this balance was transferred to financial assets at fair value through profit and loss ("FVTPL"), while the present value estimate of the escrow receivable of €5.6 million was transferred to other receivables.

Listed securities

In February 2021, Immunocore Limited ("Immunocore") completed a public listing and is valued as a mark-to-market investment at 30 June 2021.

10. Trade and other receivables and non-current assets

	30 June 2021 €'m	31 December 2020 €'m
Trade and other receivables		
Trade receivables	0.1	5.3
Prepayments	0.2	0.3
VAT recoverable	-	0.4
Financial assets at FVTPL	-	1.6
Other current receivables	1.3	0.1
	1.6	**7.7**
Other non-current assets		
Financial assets at FVTPL	5.0	1.0
Other non-current receivables	4.4	-
	9.4	**1.0**

3D4Medical

Malin disposed of its investment in 3D4Medical Limited in November 2019 and as part of this transaction, an amount of $1.9 million was held in escrow for 18 months. This amount, equating to €1.5 million, was paid to Malin in full in June 2021.

Kymab

Malin disposed of its investment in Kymab in April 2021 (see note 9) and as part of this transaction, an amount of $6.8 million (€5.7 million) will be held in escrow for up to 18 months presented across current and non-current receivables at 30 June 2021. Included within financial assets at FVTPL at 30 June 2021, is a fair value estimate of €4.3 million for the contingent milestone payments of up to $33 million.

11. Cash and cash equivalents

	30 June 2021 €'m	31 December 2020 €'m
Cash held by Malin and Malin corporate subsidiaries	57.6	23.3
Cash held by Malin investee company subsidiaries (Altan)	4.9	4.9
	62.5	**28.2**

As at 30 June 2021, the Group had no restricted cash balances (31 December 2020: €12.3 million).

Notes to the unaudited condensed consolidated financial statements (continued)

12. Borrowings

In April 2021, the Company's subsidiary, MLSHL, repaid its full outstanding debt balance with the EIB of €45.0 million. The early repayment of the outstanding EIB loan balance triggered an accelerated amortisation of the capitalised transaction costs amounting to €0.4 million. As at 30 June 2021, the Group had no borrowings (31 December 2020: €55.9 million).

The carrying value of the Company's borrowings at 1 January 2021 was €45.0 million. During 2021, €45.0 million of loan principal was repaid, €0.4 million of loan arrangement costs amortised, €0.5 million of loan interest expensed and €0.9 million of loan interest repaid. The carrying value of the Group's borrowings at 30 June 2021 was €nil.

13. Share capital

Authorised share capital

There were no changes to the authorised share capital in the 6-month period to 30 June 2021.

Issued share capital

During the 6-month period, the Group repurchased 1,204,000 Ordinary Shares on Euronext Growth Dublin at an average price of €6.17, with prices ranging from €6.00 to €6.50. The buyback and cancellation of these shares were approved by shareholders at the 2020 annual general meeting. The total cost of €7.4 million was deducted from retained earnings. There were no other changes to the issued share capital of the Company during the year.

Following the cancellation of all repurchased shares and as at 30 June 2021, the issued share capital consisted of 44,741,888 Ordinary Shares of nominal value €0.001 each (31 December 2020: 45,945,888) and 3,279,299 A Ordinary Shares of €0.001 each (31 December 2020: 3,279,299).

Subsequent to the period end, Malin repurchased a further 345,000 Ordinary Shares on Euronext Growth Dublin at an average price of €6.95, for a total cost of €2.4 million.

14. 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 2021	22.3	14.7	(3.6)	0.9	34.3
2015 LTIP charges	0.1	-	-	-	0.1
2015 LTIP – lapsed	(1.7)	-	-	-	(1.7)
Currency translation:					
Arising in the period – associates	-	-	0.5	-	0.5
Arising in the period – subsidiaries	-	-	(0.2)	-	(0.2)
Reclassification of accumulated fair value reserves on disposed investment to retained earnings	-	(62.0)	-	-	(62.0)
Financial assets at FVTOCI – fair value movement (including foreign currency)	-	26.5	-	-	26.5
At 30 June 2021	**20.7**	**(20.8)**	**(3.3)**	**0.9**	**(2.5)**

14. 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 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	1.3	-	-	-	1.3
2015 LTIP – cancelled RSUs	(0.3)	-	-	-	(0.3)
2015 LTBP – lapsed	(5.8)	-	-	-	(5.8)
Issuance of shares – share-based payments	(2.1)	-	-	-	(2.1)
Currency translation:					
Arising in the period – associates	-	-	(1.4)	-	(1.4)
Arising in the period – subsidiaries	-	-	(0.4)	-	(0.4)
Reclassification of accumulated fair value reserves on disposed investments to retained earnings	-	5.1	-	-	5.1
Poseida & Artizan Transactions: reclassification of previously recognised foreign currency translation of investment in associate	-	-	(0.5)	-	(0.5)
Financial assets at FVTOCI – fair value movement (including foreign currency)	-	24.0	-	-	24.0
At 31 December 2020	**22.3**	**14.7**	**(3.6)**	**0.9**	**34.3**

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, or disposals of, Malin's subsidiaries which resulted in movements in Malin's ownership interests.

Other undenominated capital

This reserve category comprises a capital redemption reserve arising from the Company buying back and cancelling its ordinary shares. During the 6-month period to 30 June 2021, the Company repurchased and cancelled 1.2 million shares (see note 13).

Notes to the unaudited condensed consolidated financial statements (continued)

15. Loss per Ordinary Share

Basic earnings per share is computed by dividing the net profit 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 outstanding Restricted Stock Units ("RSUs").

	6-month period to 30 June 2021 €'m			6-month period to 30 June 2020 Restated* €'m		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Numerator:						
Net profit/(loss) for the period	(1.2)	(3.9)	(5.1)	(2.7)	1.0	(1.7)
Net profit/(loss) for the period attributable to equity holders of the parent	(1.2)	(2.5)	(3.7)	(2.7)	0.7	(2.0)
Net profit/(loss) for the period attributable to non-controlling interest	-	(1.4)	(1.4)	-	0.3	0.3
Denominator:						
Weighted average number of Ordinary Shares outstanding for the period	45.7	45.7	45.7	45.9	45.9	45.9
Impact of outstanding RSUs granted but not yet vested	n/a	n/a	n/a	n/a	0.3	n/a
Diluted weighted average number of Ordinary Shares outstanding for the period	n/a	n/a	n/a	n/a	46.2	n/a
Basic earnings/(loss) per share (euro per share)	**(€0.03)**	**(€0.05)**	**(€0.08)**	**(€0.06)**	**€0.02**	**(€0.04)**
Diluted earnings/(loss) per share (euro per share)	**(€0.03)**	**(€0.05)**	**(€0.08)**	**(€0.06)**	**€0.02**	**(€0.04)**

*The comparative information is restated due to a discontinued operation. See note 5.

As at 30 June 2021, there were 110,000 outstanding RSUs (31 December 2020: 357,900) 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. The 3,279,299 Founder A Ordinary Shares (31 December 2020: 3,279,299) have not been included as part of the diluted earnings/(loss) per share calculation on the basis that the specified conditions associated with these shares had not been met at 30 June 2021.

16. Share-based compensation

	6-month period to 30 June 2021 €'m	6-month period to 30 June 2020 €'m
Founder A Ordinary Shares expense	-	0.2
Long-term Bonus Plan expense	-	0.6
Long-term Incentive Plan expense	0.1	0.2
At period/year end	**0.1**	**1.0**

16. Share-based compensation (continued)

Long-term Incentive Plan

There were no awards made in the 6-month period to 30 June 2021 under the 2015 Long Term Incentive Plan ("2015 LTIP"). The RSUs outstanding at 30 June 2021 and 31 December 2020 are summarised below:

	6-month period to 30 June 2021	Year to 31 December 2020
Outstanding at beginning of period/year	357,900	586,771
Granted	-	25,000
Exercised – issued	-	(195,703)
Cancelled[1]	(247,900)	(58,168)
Outstanding at end of period/year	**110,000**	**357,900**

1. Represents RSUs which were lapsed or cancelled due to vesting conditions not being achieved and the departure of employees and Directors.

17. Financial instruments

Set out below is a comparison of the carrying amounts and fair values of financial assets and liabilities as at 30 June 2021 and 31 December 2020. 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 2020.

	30 June 2021		31 December 2020	
	Carrying amount €'m	Fair value €'m	Carrying amount €'m	Fair value €'m
Financial assets measured at fair value:				
Financial assets at FVTOCI	194.3	194.3	265.7	265.7
Financial assets at FVTPL	5.0	5.0	2.6	2.6
At period/year end	**199.3**	**199.3**	**268.3**	**268.3**
Financial liabilities not measured at fair value:				
Interest bearing loans and borrowings	-	-	(55.6)	(49.5)
Non-interest bearing loans and borrowings	-	-	(0.3)	(0.3)
At period/year end	**-**	**-**	**(55.9)**	**(49.8)**

	Level 1 €'m	Level 2 €'m	Level 3 €'m	Total €'m
Financial assets measured at fair value:				
Financial assets at FVTOCI (unquoted equity shares)	-	-	39.3	39.3
Financial assets at FVTOCI (quoted equity shares)	155.0	-	-	155.0
Financial assets at FVTPL	-	-	5.0	5.0
At 30 June 2021	**155.0**	**-**	**44.3**	**199.3**

Notes to the unaudited condensed consolidated financial statements (continued)

17. 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)	-	-	183.6	183.6
Financial assets at FVTOCI (quoted equity shares)	82.1	-	-	82.1
Financial assets at FVTPL	-	-	2.6	2.6
At 31 December 2020	**82.1**	**-**	**186.2**	**268.3**
Financial liabilities not measured at fair value:				
Interest bearing loans and borrowings	-	(49.5)	-	(49.5)
Non-interest bearing loans and borrowings	-	(0.3)	-	(0.3)
At 31 December 2020	**-**	**(49.8)**	**-**	**(49.8)**

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

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. 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 twelve months and its cost is still considered to be a reasonable approximation to fair value at the measurement date.

The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

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.

17. Financial instruments (continued)

Fair value of financial assets at FVTOCI

Financial assets at FVTOCI are remeasured 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 in the period to 30 June 2021 are recognised in the statement of other comprehensive income as a movement through the FVTOCI reserve account.

On 5 February 2021, Immunocore commenced trading on Nasdaq and a quoted price in an active market became available. Malin transferred its financial instrument from a Level 3 instrument to a Level 1 instrument effective from this date. The fair value of Malin's investments in Poseida and Immunocore, both Nasdaq-listed public entities, at 30 June 2021 is based on the companies' respective share price on this date. The Group's other financial assets at FVTOCI were not traded in active markets at 30 June 2021.

The fair value of Malin's investments in Artizan Biosciences, Inc. and Wren Therapeutics Limited was determined based on recent investment activity of those companies, including recognising a discount to the price of recent investment.

The fair value of Malin's investment in Xenex Disinfection Services, Inc. was determined having considered prior financing round valuations and market and risk inputs of comparative peers.

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 2021 was to decrease by 10%, the fair value of this category would decrease by €2.9 million. If the multiple was to increase by 10%, then the fair value of this category would increase by €2.9 million.

Fair value of financial assets at FVTPL

Financial assets at FVTPL are remeasured to fair value at each reporting date. At 30 June 2021, the carrying value of financial assets at FVTPL is deemed to reflect their fair value.

18. 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 2020 that could have a material impact on the financial position or performance of the Group in the 6-month period to 30 June 2021.

19. Events after the reporting date

Subsequent to the period end, Malin repurchased a further 345,000 Ordinary Shares on Euronext Growth Dublin at an average price of €6.95, for a total cost of €2.4 million.

20. Approval of financial statements

The Board of Directors approved the interim consolidated financial statements for the 6-month period ended 30 June 2021 on 25 August 2021.

Directors, Secretary and Advisers

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Darragh Lyons (CEO)
Luke Corning
Jean-Michel Cosséry, Ph.D
Kirsten Drejer, Ph.D
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Company Secretary
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