



**Supporting exceptional
science and technology**

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Highlights

PERFORMANCE SNAPSHOT

At 31 December 2020

Estimated fair value of investee companies

€412 million

Estimated intrinsic equity value per share

€8.48

Cash*

€23 million

At 19 March 2021**

Estimated fair value of investee companies

€449 million

Estimated intrinsic equity value per share

€9.32

Active pre-clinical & clinical programmes

25+

INVESTEES COMPANY HIGHLIGHTS

Achievement of significant clinical milestones by several of our investee companies, including positive Phase 3 data from Immunocore and Viamet's lead programmes.

Successful private financing rounds completed by four investee companies.

Definitive agreement signed in January 2021 for Sanofi to **acquire Kymab** for total consideration of up to \$1.45 billion.

Strong commercial performance and revenue growth by our revenue-generating investee companies.

Two Nasdaq IPOs – Poseida (July 2020) and Immunocore (February 2021).

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.

* Malin corporate subsidiaries only

** Represents IPEV Fair value estimates at 31 December 2020 adjusted for an updated valuation of Malin's interests in Immunocore and Poseida (as mark-to-market valuations at 19 March 2021) and Kymab for its sale agreement with Sanofi (subject to anti-trust and other customary closing considerations).

About Us

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.

OUR CORE VALUES



Science and innovation

We have deployed capital to support and actively work with companies developing ground-breaking innovative technology platforms in pursuit of cures for cancer and autoimmune and other diseases where current therapies are suboptimal or do not exist.



People

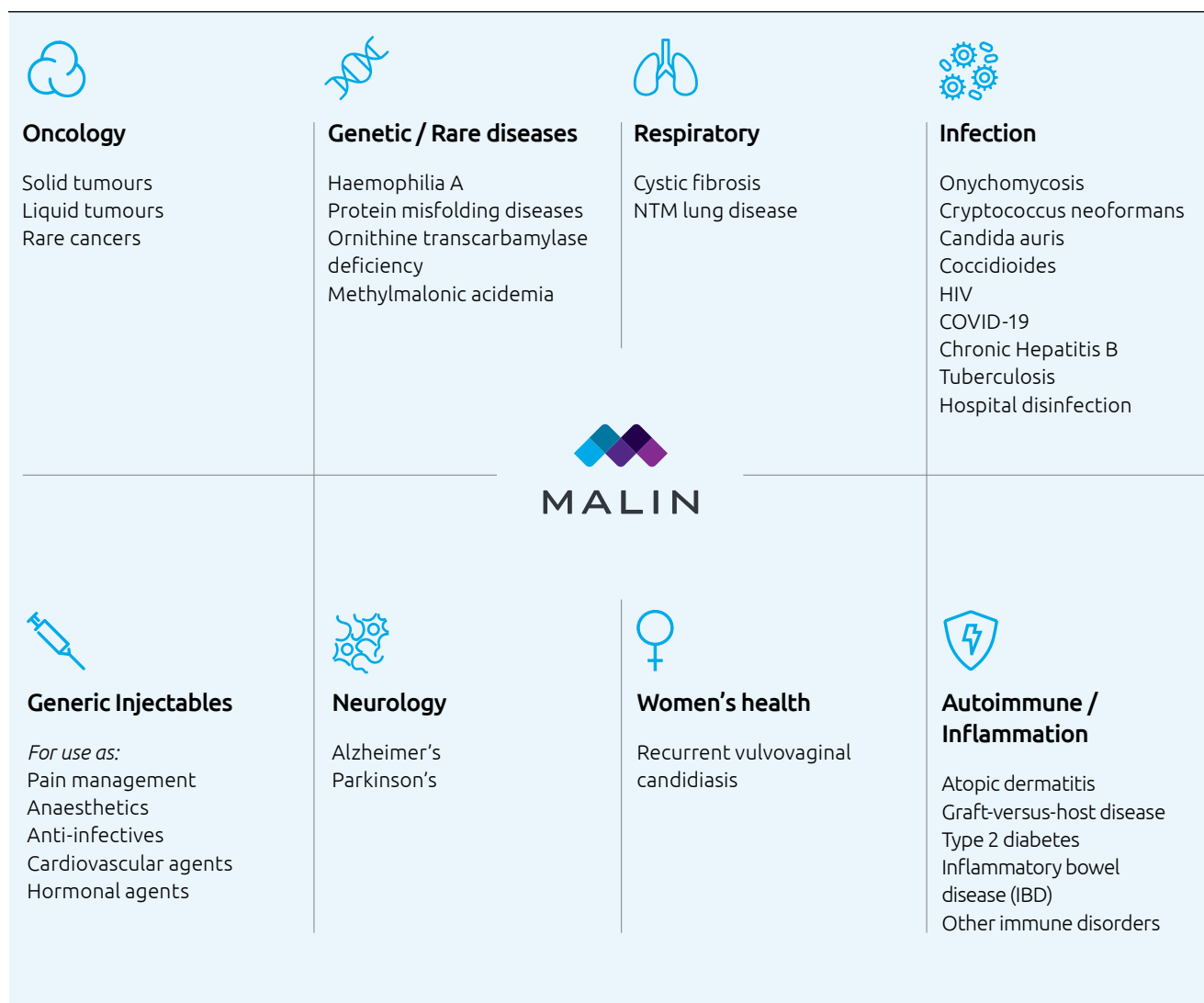
We work closely with talented individuals across our investee companies who share our goal of creating transformative new therapies for patients, particularly those with life-threatening illnesses.



Business Integrity

We operate the business with integrity and veracity with the best interests of our key stakeholders in mind. We seek to make a capital return for our investors while helping in the development of new therapies for patients.

Key Focus Areas



Capital allocation

Commitment to return capital to shareholders following significant asset realisations

Multiple strategic objectives

- ▶ Maintain flexibility around all long-term options
- ▶ Investing in innovative life sciences & healthcare technologies with potential to reach near-term significant value inflection or realisation points
- ▶ Delivery of transformative outcomes for patients
- ▶ Therapeutic areas of focus: oncology, immunology & genetic diseases

All working towards a focused ultimate goal of creating shareholder value

Investee Companies



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Clinical-stage biopharmaceutical company developing a deep pipeline of novel human antibody-based therapies in a broad range of indications.

We offer investors access to companies with compelling value propositions spanning innovation across multiple areas of healthcare. Our investee companies are at the forefront of cutting edge technological advancement in their fields and have the required talent and technical expertise to deliver profound healthcare improvements to patients around the world.

Therapeutic focus	Immune mediated diseases and immuno-oncology
% of Malin's estimated Intrinsic Equity Value	23%
Malin ownership %	10%
Lead programme	Advancing to a Phase 2b clinical trial
Recent highlights	- Positive Phase 2a data on lead programme in atopic dermatitis - Agreement to be acquired by Sanofi
2021 milestones	Completion of acquisition by Sanofi



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Clinical-stage biopharmaceutical company leveraging its proprietary next-generation, non-viral gene engineering technologies to create ground-breaking, life-saving cell and gene therapies for patients with high unmet medical need.

Therapeutic focus	Oncology
% of Malin's estimated Intrinsic Equity Value	21%
Malin ownership %	15%
Lead programme	Phase 2 clinical trial
Recent highlights	- Encouraging data from autologous anti-BCMA CAR-T programme (multiple myeloma) - Commenced Phase 1 solid tumour CAR-T clinical trial (prostate cancer) - Listed on Nasdaq raising \$224 million in gross proceeds
2021 milestones	- Filing of IND and initiation of allogeneic clinical trial (multiple myeloma) - Phase 1 data in prostate cancer study



See page 19

Clinical-stage T cell receptor biotechnology company working to develop and commercialise a new generation of transformative medicines to address unmet needs in cancer, infection and autoimmune disease.

Therapeutic focus	Oncology and infectious disease
% of Malin's estimated Intrinsic Equity Value	13%
Malin ownership %	7%*
Lead programme	Phase 3 clinical trial
Recent highlights	- Positive Phase 3 data on lead programme in metastatic uveal melanoma - Listed on Nasdaq with concurrent private placement raising \$312 million in gross proceeds
2021 milestones	Submission of BLA followed by potential US approval of uveal melanoma product candidate

* Following Immunocore's IPO in February 2021, Malin holds 5% of the company's issued share capital.



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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.

Therapeutic focus	Women's health
% of Malin's estimated Intrinsic Equity Value	21%
Malin ownership %	15%
Lead programme	Phase 3 clinical trial
Recent highlights	Positive Phase 3 data on lead programme in RVVC (oteseconazole)
2021 milestones	Submission of NDA for oteseconazole followed by potential commercial launch



See page 23

Commercial-stage specialty pharmaceutical company developing, manufacturing and marketing injectable medications for hospital and other healthcare provider segments.

Commercial focus	Generic injectables
% of Malin's estimated Intrinsic Equity Value	15%
Malin ownership %	65%
Recent highlights	22% revenue growth in 2020
2021 milestones	Further top-line growth targeted through the launch of new products and expanded European presence



See page 23

Commercial-stage UV-light disinfection technology company harnessing the power of xenon light to eliminate pathogens and assist infection control programmes in hospital and other settings.

Commercial focus	UV-light disinfection technology
% of Malin's estimated Intrinsic Equity Value	9%
Malin ownership %	11%
Recent highlights	Independent study confirming the ability of Xenex's robot device to deactivate the virus causing COVID-19



Pre-clinical spin-off company from the University of Cambridge (UK) and Lund University (Sweden) focused on treating protein misfolding diseases using its unique networks kinetics drug discovery platform.



Pre-clinical biotechnology company leveraging proprietary IgA-SEQ™ technology platform to distinguish disease-driving bacteria from the intestinal microbiota.

Pipeline

On Oncology
Im Immune disorders

Ha Haematology
Wo Women's health

In Infectious diseases
Ge Genetic diseases

CLINICAL PIPELINE

Pre-clinical

POSEIDA

- On P-BCMA-ALLO1**
Allogeneic CAR-T
Multiple myeloma
- On P-MUC1C-ALLO1**
Allogeneic CAR-T
Multiple solid tumours
- On P-PSMA-ALLO1**
Allogeneic prostate cancer
- On DUAL CAR (CD19/CD20)**
Allogeneic CAR-T
B cell malignancies
- On DUAL CAR (BCMA/CD19)**
Allogeneic CAR-T
Multiple myeloma
- Ge P-OTC-101**
Liver directed GT
OTC deficiency
- Ge P-MMUT-101**
Liver directed GT
Methylmalonic Acidemia
- Ge P-FVIII-101**
Haemophilia A

KYMAB

- Im KY1005**
OX40L
Graft-vs-Host
- Im KY1005**
OX40L
Other immune disorders
- Ha KY1043**
Anti-PD-L1-
immunocytokine
Solid tumours
- Ha KY1049**
Factor VIII-mimetic
Haemophilia A
- Ha KY1051**
CXCR-4
Solid tumours

IMMUNOCORE

- In IMC-M113V**
HIV

Phase 1

POSEIDA

- On P-PSMA-101**
Autologous CAR-T
Prostate cancer

IMMUNOCORE

- On GSK01 (NY-ESO-1)**
Synovial sarcoma
- On IMC-F106C (PRAME)**
Solid tumours
- On IMC-C103C (MAGE-A4)**
Solid tumours
- In IMC-I109V**
Chronic HBV

Phase 2

POSEIDA

- On P-BCMA-101**
Autologous CAR-T
Multiple myeloma

KYMAB

- Im KY1005**
OX40L
Atopic dermatitis
- On KY1044**
ICOS + anti-PD-L1
Solid tumours

VIAMET (via Mycovia)

- In VT-1161**
Onychomycosis

Phase 3

VIAMET (via Mycovia)

- Wo Oteseconazole (VT-1161)**
Recurrent vulvovaginal candidiasis

IMMUNOCORE

- On TEBENTAFUSP (IMCGP100)**
Uveal melanoma

PRODUCT PIPELINE

Investee Company	Indication	Discovery	Pre-clinical	Phase 1	Phase 2	Phase 3	Commercial
ALTAN	Generics						
IMMUNOCORE	Uveal melanoma						
VIAMET	RVVC						
VIAMET	Onychomycosis						
POSEIDA	Multiple myeloma (auto)						
KYMAB	Atopic dermatitis						
KYMAB	Solid tumours (ICOS)						
IMMUNOCORE	Synovial sarcoma (NY-ESO-1)						
IMMUNOCORE	Solid tumours (MAGE-A4)						
IMMUNOCORE	Solid tumours (PRAME)						
IMMUNOCORE	Chronic HBV						
POSEIDA	Prostate cancer (auto)						
POSEIDA	Multiple myeloma (allo)						
POSEIDA	Solid tumours (allo)						
KYMAB	Multiple						
POSEIDA	Multiple						
IMMUNOCORE	Multiple						
IMMUNOCORE	HIV						
MULTIPLE NON-DISCLOSED PRE-CLINICAL PROGRAMMES							

EXPECTED DATA CATALYSTS OVER THE NEXT YEAR

Phase 1 / Phase 2 Proof of Concept

POSEIDA

P-BCMA-ALLO1 (Multiple myeloma) allogeneic
P-PSMA-101 (Prostate cancer) autologous

IMMUNOCORE

IMC-C103C (MAGE-A4) (Solid tumours)
GSK01 (NY-ESO-1) (Synovial sarcoma)
IMC-I109V (Hepatitis B Virus)

KYMAB

KY1044 (ICOS) (Solid tumours)

Phase 2 / Phase 3 (Pivotal)

POSEIDA

P-BCMA-101 (Multiple myeloma) autologous

Approval Submissions

IMMUNOCORE

Tebentafusp (IMCgp100) (Metastatic uveal melanoma)

VIAMET

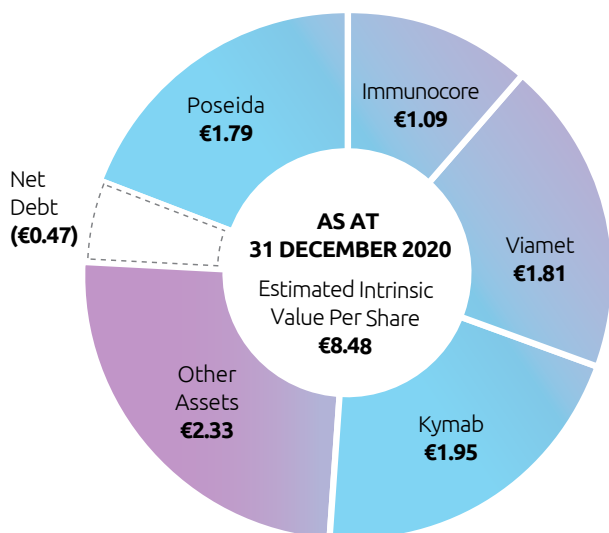
Oteseconazole (VT-1161) (RVVC)

What's in a Share

Malin's intrinsic equity value is arrived at by taking our estimate of the fair value of our investee companies in accordance with IPEV guidelines and adjusting for net debt.

Malin's share price continues to trade at a discount to our estimation of intrinsic equity value at 31 December 2020 which equated to €8.48 per Malin share.

SHARE BREAKDOWN



Poseida

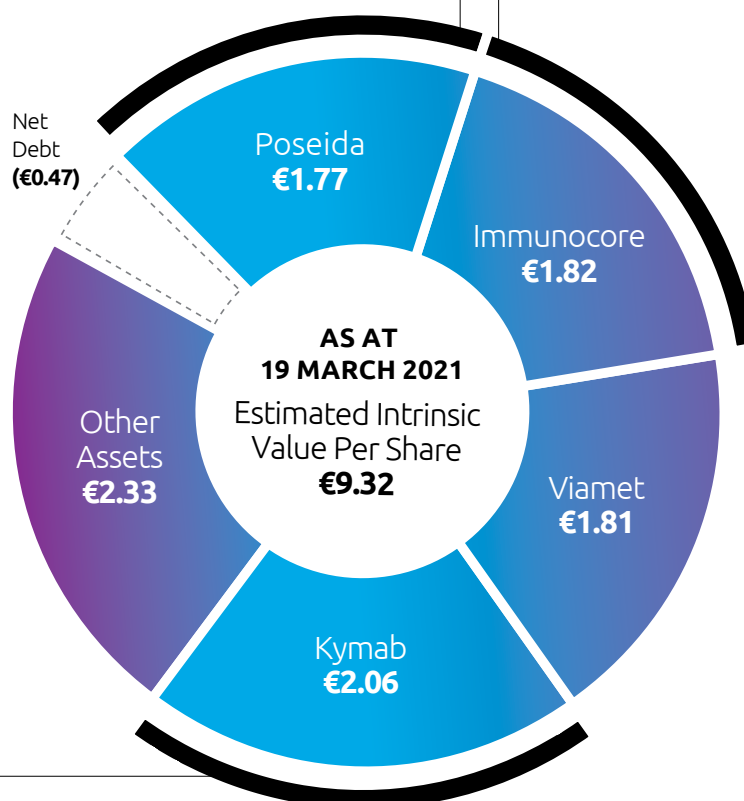
The March 2021 fair value estimate is based on the mark-to-market valuation of Poseida at 19 March 2021.

Immunocore

Immunocore completed an IPO on Nasdaq in February 2021 and the March 2021 fair value estimate is based on the mark-to-market valuation of Immunocore at 19 March 2021.

Kymab

Kymab and Sanofi entered into an agreement in January 2021, pursuant to which Sanofi will acquire Kymab. The March 2021 fair value estimate is based on this sale agreement and is subject to anti-trust and other customary conditions.



How we Create and Deliver Value

Our objective is to deliver significant returns for our shareholders and transformative outcomes for patients. We will seek to achieve this by focusing on four strategic priorities.

OUR FOUR PILLARS



Prioritise our highest value creation assets

To focus our resources on the assets with innovative technology platforms and the greatest value creation potential as they progress towards important milestones and significant value inflection points.



Return capital following significant asset realisation

We are committed to returning capital to shareholders following significant asset realisation transactions, having repaid the EIB debt.



Financial discipline and resilience

We will maintain a lean organisational structure focused on driving value from our investee companies. As our investee companies progress towards important milestones and potential value inflection and realisation events for Malin, we will seek to strengthen our balance sheet and return capital to shareholders.



Maintain flexibility around all long term options

Once we have significantly progressed and realised value from Malin's existing investee companies and returned capital to shareholders, we will maintain flexibility around all long-term options.

Chair's Statement



Liam Daniel
Chair

On behalf of the Board of Malin, I am pleased to present our annual report and financial statements for the year ended 31 December 2020.

The past year saw the achievement of significant clinical progress and validation across Malin's investee companies. Most notably in the cases of Kymab and Immunocore, we have already seen evidence of that clinical progress translating into meaningful value generation in 2021, with the announcement of the sale of Kymab to Sanofi and Immunocore's successful IPO on Nasdaq. Despite the disappointing share price performance of Poseida following its July 2020 IPO, we are confident of the potential of Poseida to deliver meaningful treatments in areas of high-unmet needs and on the consequent value potential for shareholders. Elsewhere, Malin's investee companies have made strong progress throughout the past year, across the spectrum from pre-clinical to commercial activity, and we believe they are well-positioned to generate transactional and business development activity in 2021.

As a Board, we are committed to seeking to maximise value for our shareholders and will apply that lens in evaluating all options generated within our investee companies. Furthermore, and again in seeking to maximise shareholder value, we will explore all routes for the delivery of proceeds generated from the monetisation of investee companies to our shareholders.

Despite the restrictions and challenges posed by COVID-19 throughout 2020 and into 2021, the Company's governance framework and working arrangements have adapted effectively and efficiently to allow us all to work safely, seamlessly and with minimal disruption. Furthermore, I am impressed by the resilience and determination shown by the leadership teams across our investee companies as they have had to adapt their operations to exceptional circumstances. While the pandemic has had some impact, in particular on clinical trial timelines, I am pleased to report that the impact overall to date on Malin and its investee companies has not been significant.

With the appointment of Luke Corning and Dr Kirsten Drejer as Non-Executive Directors in March 2020, we have added to the strength and depth of the Board and their individual expertise and experience has added to the quality of the Company's governance and decision-making framework. In addition, having been appointed CEO in 2019, Darragh Lyons joined the Board as an Executive Director in March 2020 and has driven the execution of the Company's strategy effectively with significant progress made in 2020 and in 2021 to date.



The past year saw the achievement of significant clinical progress and validation across Malin's investee companies.

Throughout 2020, the Board has sought to maintain a high degree of discipline and focus as regards the Company's operations and in seeking to maximise on value opportunities within the Company's investee company group. The Company's corporate operating expenses for 2020 were €3.2 million, a 44% reduction from 2019. We believe that Malin's lean and efficient corporate infrastructure strikes the right balance between structure and flexibility, as is necessary for the stage of development and activity of the Company and its investee companies.

I wish to acknowledge the support of our shareholders throughout 2020 and I look forward to communicating with you through 2021 as we look ahead to progress across Malin's investee companies and to the delivery of value to our shareholders.

Finally, I would like to thank my fellow directors for all their support to the Company and to me personally in 2020 and I would also like to thank Darragh and his executive team for all their efforts during the past year. I look forward to working with all of them in 2021.

Liam Daniel

Chair

22 March 2021

Chief Executive's Report



Darragh Lyons
Chief Executive Officer

Overview

I am very pleased with the progress made by Malin and our investee companies during 2020.

The focus of our business strategy over the past few years has been to protect and enhance the value of our positions in our investee companies, insofar as possible, while these businesses worked towards reaching important clinical and operational milestones. Our companies started to successfully deliver these crucial milestones during 2020, which we believe can catalyse investment realisation opportunities for Malin as our companies reach optimal value inflection points. The agreed sale of Kymab to Sanofi for consideration of up to \$1.45 billion that was announced in January 2021 demonstrates this.

We remain focused on working with our investee companies to maximise the value potential of these businesses, assessing realisation opportunities when we believe optimal value inflection points have been reached and returning capital to shareholders. As we communicated in January following the announcement of the sale of Kymab, we expect to initiate capital returns to shareholders following the close of this transaction.

Investee company updates

Immunocore

Immunocore has had a tremendous year. I expect the company's lead product candidate, tebentafusp, to file for US FDA market approval to treat metastatic uveal melanoma patients by Q3 2021. This follows the very positive Phase 3 data announced by the company in November 2020. As well as the potential of this drug to contribute meaningful revenues to Immunocore in the years ahead, the impressive Phase 3 data and potential product approval validates Immunocore's pioneering T Cell Receptor (TCR) technology platform thereby de-risking its extensive clinical pipeline in oncology and infectious diseases.

Following the release of the Phase 3 data on Immunocore's lead programme, the company successfully completed a \$75 million crossover funding round in January 2021, followed by an upsized Nasdaq IPO and concurrent private placement in February 2021, raising gross proceeds of \$312 million. This capital should support the company's extensive clinical pipeline through several important clinical milestones in the years ahead. These include possibly gaining proof-of-concept data in the proprietary PRAME and Genentech-partnered MAGE-A4 clinical programmes for the treatment of solid tumours and in the application of the company's pioneering TCR technology in infectious disease where the company has advanced its first product candidate into a Phase 1/2 clinical trial in chronic Hepatitis B virus patients.

Kymab

Kymab announced excellent efficacy and safety data for its lead programme, KY1005, in a Phase 2a study in atopic dermatitis in August 2020. The antibody targets the OX-40 ligand protein, which is an attractive therapeutic target since it is an upstream regulator of the inflammatory cascade, and the data indicate that this antibody could be highly differentiated.



We remain focused on working with our investee companies to maximise the value potential of these businesses, assessing realisation opportunities when we believe optimal value inflection points have been reached and returning capital to shareholders.

In January 2021, Kymab entered into a definitive agreement with Sanofi under which Sanofi will acquire Kymab for an upfront payment of \$1.1 billion as well as committing to up to \$350 million of contingent milestone payments. The transaction is expected to close during Q2 2021 and will deliver initial net proceeds to Malin of approximately \$112 million. Malin could receive up to a further \$33 million if certain milestones are achieved.

In July 2020, ahead of the KY1005 data, we acquired an additional 2% stake in Kymab through a secondary share purchase for €2.3 million to bring Malin's aggregate stake in Kymab to 10%. The upfront proceeds from the Sanofi transaction will crystallise a 9-times return on this investment in less than one year.

Poseida

During 2020, Poseida progressed its wholly owned pipeline of autologous and allogeneic CAR-T product candidates and made some important advances in its pre-clinical gene and cell therapy pipeline.

Poseida's lead programme, P-BCMA-101, is an autologous CAR-T therapy for patients with relapsed or refractory multiple myeloma that is being evaluated in a potentially registrational Phase 2 clinical trial. Poseida is also exploring some additional dosing strategies to attempt to maximise patient response rates in a Phase 1 expansion study. We expect a data update on this programme before the end of 2021. Poseida is also advancing a next-generation version of this product candidate, an allogeneic (healthy donor) version, P-BCMA-ALLO-1. The ability to treat dozens or even hundreds of patients from a single healthy donor would significantly lower the cost of cell therapy and improve the speed at which treatment could be administered equating to a transformative breakthrough for the treatment of very sick patients. We expect an Investigational New Drug (IND) application and initiation of a clinical study using this technology during the second quarter of 2021, with potential for early data before the end of the year.

Poseida is also advancing its allogeneic technology to target solid tumours. The company is targeting an IND for its P-MUC1C-ALLO1 product candidate before the end of 2021.

Poseida has overcome the challenge of an unfortunate patient death early in its metastatic castrate-resistant prostate cancer autologous CAR-T therapy study and has re-commenced dosing patients in this study. Poseida recently presented encouraging, early data from one of the first patients treated with a low dose of the therapy.

Poseida continues to augment and advance its core technology platforms which give the company several potential advantages over the technologies of competitor cell and gene therapy companies. In addition to the company's core non-viral gene insertion technology, piggyBac®, Poseida has a wholly owned gene editing technology and has developed proprietary lipid nanoparticle delivery systems, possibly facilitating fully non-viral in vivo gene therapy with the potential for a single treatment cure. Poseida will use this lipid nanoparticle delivery system to progress its Haemophilia A gene therapy programme.

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

Chief Executive's Report

continued



With the strong progress of our investee companies during 2020, I remain optimistic that we will see additional transactional and business development activity from our companies over the next year.

Viamet

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

Altan

Altan, our specialty generic injectables business, had an impressive performance in 2020 with revenue growth of 22%, continued expansion of its direct presence across Europe and the launch of several new products. The company is targeting further double-digit top-line growth in 2021 with growing traction in new markets and further new product launches planned. A major focus of management has also been on improving margins and we expect to see further EBITDA margin improvement in the years ahead.

Xenex

Xenex has a best-in-class UV disinfection technology which, during 2020, was shown in an independent study to deactivate the virus that causes COVID-19. The company's robots are deployed in healthcare facilities across the US, Europe, and Asia. During 2020, the company also deployed the technology in various non-healthcare settings such as airports, convention centres, hotels, and sports arenas.

Delivery of value to shareholders

We expect the sale of Kymab to Sanofi to close during Q2 2021 and this transaction will deliver initial net proceeds to Malin of approximately \$112 million. We will use €45 million of this capital to repay the full amount of our outstanding debt with the European Investment Bank (EIB) and the balance of the proceeds will enable us to initiate capital returns to shareholders. We commit to exploring all available options to deliver this capital to shareholders.

With the strong progress of our investee companies during 2020, I remain optimistic that we will see additional transactional and business development activity from our companies over the next year. This activity could augment the capital that we have available to return to our shareholders during 2021.

Managing Our Capital & Investments

We continue to exercise financial prudence in managing our capital position. We have made significant reductions to our corporate operating spend over the past few years and further reduced this spend to €3.2 million in 2020. I believe that this level of spend is appropriate and necessary for Malin to closely manage our investments and maintain our current lean operating and corporate infrastructure.

We apply the same level of pragmatism in investing our available capital. Our recent capital deployment has focused on enabling investee companies reach near-term value inflection points or realisation events or where we identify significant value creation opportunities. Our July 2020 purchase of secondary shares in Kymab is an example of the latter.

Our corporate cash holding was €23.3 million at 31 December 2020. We have agreed an amendment to our EIB debt contract to give us further capital flexibility by deferring our scheduled 2021 principal repayments of €10 million to 2022. Notwithstanding this agreed deferral of scheduled repayments in 2021, it is our intention to repay our outstanding EIB debt of €45 million in full upon the close of the Kymab transaction with Sanofi.

With the positive events in our investee companies over the past year, the estimated fair value of our investee companies has increased from €366 million at 31 December 2019 to €412 million at 31 December 2020. The estimated fair value of our investee companies has further increased to €449 million at 19 March 2021, primarily due to the increased value of Immunocore. Though our market value remains at a significant discount to our estimated intrinsic value, shareholder returns will ultimately be underpinned by the return of capital to shareholders.

While our companies are progressing very well with the achievement of crucial milestones, our overarching goal is the realisation of maximal value from each of our investee company positions and we have no definitive timeframe within which this goal must be achieved. Over the past eight months, two of our investee companies completed Nasdaq IPOs; Poseida in July 2020 and Immunocore in February 2021. While the primary motivation behind an IPO for most biotech companies is to secure long-term access to the capital needed to fully exploit the companies' technologies, the public securities issued by these companies obviously provide holders with liquid instruments. While we welcome the additional flexibility that a public instrument brings and our ultimate intent is to monetise our positions in all our current investee companies over time, we remain focused on maximising returns to our shareholders by ensuring that all our investee companies have reached optimal value inflection points before we consider monetising positions. Both of our public companies have important and possibly significantly value accretive clinical milestones over the next 12 to 18 months and we remain focused on these events.

Outlook

As we begin to see light at the end of the dark tunnel of the COVID-19 pandemic, society has a greater appreciation than ever of the critical role that our scientists and drug developers play in protecting and improving human life through their research and innovation. In Malin, we are fortunate to work with such inspiring individuals on a day-to-day basis, as our investee companies work on developing new technologies and life-saving therapies across several disease areas. Hopefully, the pandemic will result in revitalised government and private venture capital funding channels for research organisations and early-stage private enterprises so that the next waves of innovative therapies and technologies can be accelerated.

For Malin and our investee companies, I am confident that we will see continued operational, clinical and transactional progress in the year ahead. I look forward to communicating this progress to you while we also target our first return of capital to our shareholders in the year ahead. I appreciate the continued support of our shareholders and other stakeholders and look forward to the year ahead with confidence and optimism.



Darragh Lyons
Chief Executive Officer
 22 March 2021

Financial Review



Pat Jennings
Chief Financial Officer

Fair value of investee companies

The fair value of our investee companies is estimated in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines and has been presented as at 31 December 2020 and 19 March 2021.

IPEV fair value estimate at 31 December 2020

As at 31 December 2020, the IPEV-compliant fair value of our interests in our investee companies was €412 million. The valuation uplift during 2020 was largely attributable to our higher fair value estimate for Kymab, reflecting the positive developments in that business, partially offset by Poseida's disappointing share price performance following its IPO in July 2020 and a weakening of the US dollar on the valuation of our US dollar denominated investments.

On 11 January 2021, Sanofi agreed to acquire Kymab for an upfront payment of approximately \$1.1 billion and up to \$350 million upon the achievement of certain milestones. The estimated fair value of Malin's investment in Kymab at 31 December 2020 is anchored on this agreement, discounted for the risks associated with the completion of this transaction at that date.

Investee Company	19 March 2021 ¹	Malin % shareholding ²	31 December 2020	31 December 2019
	IPEV fair value estimate ³ €'m		IPEV fair value estimate ³ €'m	IPEV fair value estimate ³ €'m
Poseida	81.5	15%	82.1	111.2
Immunocore	83.5	7% ⁴	50.0	52.1
Kymab	94.5	10%	89.5	27.5
Viamet	83.0	15%	83.0	80.2
Altan	60.4	65%	60.4	59.4
Xenex	35.1	11%	35.1	23.2
Other	11.4		11.4	12.2
Total	449.4		411.5	365.8

- Represents IPEV fair value estimates and foreign exchange rates as at 31 December 2020 with three adjustments: (i) an updated valuation of Malin's interest in Kymab, following the definitive agreement entered into by Sanofi and Kymab in January 2021 pursuant to which Sanofi will acquire Kymab; (ii) an updated valuation of Malin's interest in Immunocore, following the company's IPO in February 2021, as a mark-to-market valuation at 19 March 2021; and (iii) an updated valuation of Malin's interest in Poseida as a mark-to-market valuation at 19 March 2021.
- Shareholding based on issued share capital and does not take convertible debt capital into account.
- 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 whether 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.
- Following Immunocore's IPO in February 2021, Malin holds 5% of the company's issued share capital.

On 10 July 2020, Poseida completed an IPO on Nasdaq and the estimated fair value of Malin's investment in Poseida at 31 December 2020 reflects the company's mark-to-market valuation on this date.

IPEV fair value estimate at 19 March 2021

At 19 March 2021, the revised IPEV fair value estimate of €449 million represents the IPEV fair value estimates and foreign exchange rates at 31 December 2020, adjusted for specified post period end developments. As noted above, in January 2021, Kymab and Sanofi entered into an agreement pursuant to which Sanofi will acquire Kymab. The estimated fair value of Malin's investment in Kymab at 19 March 2021 is based on this sale agreement and is subject to anti-trust and other customary closing conditions. On 5 February 2021, Immunocore completed an IPO on Nasdaq and the estimated fair value of Malin's investment in Immunocore at 19 March 2021 reflects the company's mark-to-market valuation of \$43.43 per share on this date. Malin's interest in Poseida, also a Nasdaq-listed entity, has been updated to reflect the company's mark-to-market valuation of \$10.89 per share on 19 March 2021.

Estimated intrinsic equity value

We believe that estimated intrinsic equity value 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 IPEV guidelines and adjusting this value for Malin's net debt.

Malin's intrinsic equity value at 31 December 2020 was €389.8 million, or €8.48 per Ordinary Share. This intrinsic equity value increased to €427.7 million, or €9.32 per Ordinary Share, at 19 March 2021.

Capital position

Malin's corporate cash position was €23.3 million at 31 December 2020. We acquired an additional 2% of issued share capital in Kymab in 2020 for €2.3 million and had €1.5 million of investment inflows in the year to 31 December 2020. The sale of Kymab, which is anticipated to close in Q2 2021, is expected to deliver initial net proceeds to Malin of \$112 million, with the potential to receive up to a further \$33 million on the achievement of certain milestones.

Consolidated financial statements

Basis of preparation

Malin's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) which requires Malin to consolidate investee companies which we control (subsidiaries), equity account for investee companies over which we have the right to exercise significant

influence (associate companies) and account for the remainder of our investments at fair value where we do not control or significantly influence the companies (financial assets held at fair value through other comprehensive income (FVTOCI)). As a result, 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 31 December 2020, the carrying value of our investments in associates was €14.8 million and financial assets at FVTOCI was €265.7 million.

The result of these accounting requirements is that the financial statements do not provide a strong basis on which to evaluate the performance of Malin. The selected financial data and analysis above in relation to Malin and below on the consolidated financial information attempts to highlight the key financial information that we believe is most relevant in assessing Malin's financial progress, performance and position.

Cash

Malin's consolidated cash and cash equivalents balance at 31 December 2020 of €28.2 million includes cash and cash equivalents balances of €23.3 million held by Malin and its corporate subsidiaries and €4.9 million held by its investee subsidiary companies. The impact of COVID-19 has not impacted Malin's near-term cash requirements.

Revenue

As in prior years, the full amount of the Group's revenue of €41.0 million is attributable to Malin's investee company subsidiaries, and all of the Group's revenue in 2020 is attributable to Malin's investee subsidiary, Altan.

Operating expenses

The consolidated cash and non-cash operating expenses incurred by Malin and its subsidiaries during the year to 31 December 2020 were €49.9 million. Malin's corporate operating expenses for 2020 were €3.2 million, a reduction of €2.5 million on 2019. Following the execution of corporate refinements over the past two years, Malin's corporate annual cash operating expenses are expected to continue to be approximately €3 million based on current operating focus and activity.

Our Key Assets

Kymab is a clinical-stage biopharmaceutical company developing a deep pipeline of novel human antibody-based therapies in a broad range of indications.



At 31 December 2020:

€89.5 million

IPEV fair value estimate

€25.8 million

net invested capital

10%

equity ownership

Kymab's unique platforms generate a vast repertoire of fully human, species cross-reactive and affinity-matured antibodies against challenging targets. The company is focused on the therapeutic areas of autoimmune and inflammatory disease, immuno-oncology, haematology and infectious disease.

Kymab, the first spin-out from The Wellcome Trust Sanger Institute, generates product candidates using its proprietary, integrated technology platform. Its IntelliSelect® Transgenic discovery platforms are designed to generate fully human monoclonal antibodies from highly engineered strains of mice that have the complete constellation of human antibody building blocks in their genome. Its development platforms combine single cell sequencing, genomics and proprietary bioinformatic algorithms to prioritise and select antibodies generated by its

discovery platforms that have the most desirable druglike properties. Together with Kymab's antibody discovery and development expertise, Kymab's suite of technologies has enabled the generation of a deep pipeline of product candidates and an expanding discovery pipeline, including both traditional antibodies and bi-specific antibodies against more than 15 targets to date.

Kymab's lead product candidate, KY1005, a human monoclonal antibody, recently completed a Phase 2a clinical trial from which it generated very strong data indicating that this antibody could be disease-modifying and highly differentiated. Kymab's second most advanced asset, KY1044, an oncology product candidate, is in a Phase 2 clinical trial for the treatment of solid tumours, both as a monotherapy and in combination with Roche's PD-L1 checkpoint inhibitor, atezolizumab.

In January 2021, Kymab entered into a definitive agreement with Sanofi, pursuant to which Sanofi will acquire Kymab for an upfront payment of approximately \$1.1 billion and up to \$350 million upon the achievement of certain milestones. Malin owns approximately 10% of the issued share capital and the sale of Kymab is expected to deliver initial net proceeds to Malin of approximately \$112 million, with the potential to receive up to a further \$33 million on the achievement of certain milestones. The closing of this transaction is expected in Q2 2021.

Candidate	Pre-clinical	Phase 1	Phase 2	Phase 3	Indication
KY1005 Anti-OX40L					Atopic dermatitis
KY1044 ICOS					Solid tumours
KY1044 ICOS + anti-PD-L1					Solid tumours
KY1043 PD-L1 immunocytokine					Solid tumours
KY1049 Factor VIII-mimetic					Haemophilia A
KY1051 CXCR-4					Solid tumours
KY1005 OX40L					Acute graft-vs-host disease & other immune disorders

Immunocore is a Nasdaq-listed clinical-stage T Cell Receptor (TCR) biotechnology company working to develop and commercialise a new generation of transformative medicines to address unmet needs in cancer, infection and autoimmune disease.

At 31 December 2020:

IMMUNOCORE

targeting T cell receptors

€50.0 million

IPEV fair value estimate

€74.3 million

net invested capital

7%

equity ownership

Immunocore utilises human TCRs with a goal of overcoming the limitations of the natural immune system and current therapeutic approaches, through engineering novel bispecific drugs called ImmTAX™ (Immune mobilising monoclonal TCRs Against X disease) molecules. ImmTAX molecules are bispecific molecules that are comprised of a TCR and an effector function. By developing high affinity TCRs, ImmTAX molecules have the potential to overcome the limitations of the natural immune system allowing a patient's own T cells to recognise and kill the infected or cancerous cells via a highly potent immune response.

The company has a robust clinical-stage pipeline of wholly-owned and partnered programmes, focused on delivering first-in-class biological therapies, across three different therapeutic areas.

Within oncology, Immunocore is designing ImmTAC® (Immune mobilising monoclonal TCRs Against Cancer) molecules to treat patients with haematologic and solid tumours. The company recently released positive Phase 3 data for its lead product candidate, tebentafusp (IMCgp100), as a treatment for patients with metastatic uveal melanoma, currently an unmet medical need. The product candidate has been granted Fast Track Designation, Orphan Drug Designation and Breakthrough Designation by the US FDA and Immunocore is on track to submit a Biologics Licence Application in Q3 2021. The company has three other ImmTAC molecules in ongoing Phase 1 clinical trials including a partnered programme with GlaxoSmithKline, NY-ESO-1, a Genentech-partnered molecule targeting MAGE-A4 and a wholly-owned molecule targeting PRAME.

Immunocore is also applying its pioneering TCR technology to offer a new approach for the treatment of chronic infections by redirecting non-exhausted immune cells to attack infected cells, even if those cells present levels of target that are too low for the natural immune system to see. The company's most advanced infectious disease programme is for the treatment of chronic Hepatitis B, currently in Phase 1 trials. The second is a potential HIV treatment that is being developed in collaboration with the Bill and Melinda Gates Foundation.

In addition to a well-established pipeline of wholly owned programmes, Immunocore's transformational science and strong IP position has led to multi-target discovery partnerships, including milestones and royalties, with Genentech, GlaxoSmithKline and AstraZeneca, to develop new cancer therapies using the ImmTAC® technology platform.

Candidate	IND-enabling	Phase 1	Phase 2	Phase 3	Indication
TEBENTAFUSP (gp100)					Uveal melanoma
IMC-C103C (MAGE-A4)					Solid tumours: NSCLC, gastric, head & neck, ovarian, synovial sarcoma
IMC-F106C (PRAME)					Solid tumours: breast, endometrial, ovarian, SCLC, NSCLC
GSK01 (NY-ESO-1)					Synovial sarcoma
IMC-I109V (Envelope)					Hepatitis B Virus (HBV)
IMC-M113V (Gag)					HIV

Our Key Assets continued



Poseida is a Nasdaq-listed clinical-stage biopharmaceutical company focused on leveraging its proprietary next-generation, non-viral gene engineering technologies to create life-saving cell and gene therapeutics for patients with high unmet medical needs.

At 31 December 2020:

€82.1 million	€39.1 million	15%
IPEV fair value estimate	net invested capital	equity ownership

Poseida has built a wholly owned pipeline of autologous and allogeneic chimeric antigen receptor T cell, or CAR-T, product candidates, initially focused on the treatment of haematological malignancies and solid tumours. Autologous therapies are fully customised treatments created using an individual patient’s own T cells. In contrast, allogeneic therapies use T cells derived from healthy donors, possibly allowing Poseida to make an off-the-shelf treatment for hundreds of patients from a single manufacturing run. The large cargo capacity of Poseida’s piggyBac DNA Modification System also allows Poseida the capability to develop Dual CARs to address multiple targets simultaneously for greater targeting capacity to further drive efficacy and durability, particularly in solid tumour indications.

Poseida leverages its proprietary gene engineering technologies to create product candidates predominantly comprised of a specific T cell subset, stem cell memory (or TSCM), which are a younger, self-renewing type of immune cell that may allow for longer duration of response, less toxicity and the ability to successfully treat solid tumours.

Poseida’s most advanced product candidate, P-BCMA-101, is an autologous CAR-T product that targets B cell maturation antigen, or BCMA, which is expressed on essentially all multiple myeloma cells. P-BCMA-101, for the treatment of patients with relapsed/refractory multiple myeloma, is currently being evaluated in a potentially registrational Phase 2 clinical trial and expanded Phase 1 clinical trial to explore some additional dosing strategies

intended to maximise patient response rates. Both trials are on a fully outpatient basis due to a highly differentiated tolerability profile compared to other CAR-T approaches, with very low levels of cytokine release syndrome and almost no neurotoxicity.

The company’s second autologous product candidate, P-PSMA-101, is being developed to treat patients with metastatic castrate-resistant prostate cancer, a solid tumour indication. A Phase 1 dose escalation trial of P-PSMA-101 is ongoing having commenced in 2020 after demonstrating elimination of tumour cells to undetectable levels in 100% of animals, with only one incidence of relapse in the lower dose, in pre-clinical studies.



Poseida's first allogeneic product candidate, P-BCMA-ALLO1, is designed to have the same inherent properties and functions of its autologous product, P-BCMA-101, but with the ability to treat a large number of patients from one manufacturing run. P-BCMA-ALLO1 is designed to be fully allogeneic, with genetic edits to eliminate or reduce the risk of both host-vs-graft and graft-vs-host alloreactivity. The programme is in late-stage pre-clinical development for the treatment of relapsed/refractory multiple myeloma and Poseida expects to file an IND application in the second quarter of 2021, targeting patient dosing with this universal donor version

later in the year. Additional allogeneic solid tumour product candidates, P-MUC1C-101 and P-PSMA-ALLO1, are in pre-clinical development for multiple solid tumour and prostate cancer indications, respectively. Poseida is also developing a portfolio of allogeneic Dual CAR product candidates, which contain two fully functional CAR molecules to target cells that express at least one of the two intended targets, that are in pre-clinical studies.

In addition to its CAR-T therapy products, Poseida is developing multiple next-generation gene therapy solutions addressing rare and life-threatening diseases including ornithine transcarbamylase (OTC) deficiency and methylmalonic acidemia (MMA), two genetic liver diseases which are usually diagnosed in the early neonatal period. Poseida is utilising piggyBac in combination with lipid nanoparticle technology to attempt to overcome some of the limitations of traditional gene therapies that rely on viral delivery, in the development of potential single treatment cures in the future.

Candidate	Pre-clinical	IND-enabling	Phase 1	Phase 2	Phase 3*	Indication
P-BCMA-101 Autologous CAR-T						Multiple myeloma
P-PSMA-101 Autologous CAR-T						Prostate cancer
P-BCMA-ALLO1 Allogeneic CAR-T						Multiple myeloma
P-MUC1C-101 Allogeneic CAR-T						Solid tumour
P-PSMA-ALLO1 Allogeneic CAR-T						Prostate cancer
DUAL CAR (BCMA/CD19) Allogeneic CAR-T						Solid tumour
DUAL CAR (CD19/CD20) Allogeneic CAR-T						B-Cell
P-OTC-101 Liver directed gene therapy						OTC
P-MMUT-101 Liver directed gene therapy						MMA
P-FVIII-101						Haemophilia A

*Phase 3 may not be necessary if Phase 1/2 serves as a registrational clinical trial

Our Key Assets continued



Viamet has a financial interest in a Phase 3 compound for the treatment of recurrent vulvovaginal candidiasis (RVVC), an unmet need in women's health, and onychomycosis (fungal nail infection).

At 31 December 2020:

€83.0 million

IPEV fair value estimate

€20.5 million

net invested capital

15%

equity ownership

Mycovia, a subsidiary of NovaQuest Capital, acquired Viamet's lead anti-fungal drug, VT-1161, in 2018 and Viamet retains a significant economic interest by means of its share of potential milestone payments and sales royalties through clinical and commercial progression. The acquisition of this molecule followed the successful Phase 2b clinical trials for the treatment of RVVC and onychomycosis announced in 2018. Mycovia is responsible for the further development of VT-1161 and successful progress of this molecule through clinical development and commercialisation should provide substantial cash flows to Malin in the years ahead.

Mycovia has also secured strategic partnerships with Gedeon Richter plc for the commercialisation and manufacture of VT-1161 for RVVC in Europe, Latin America, Australia, Russia and other CIS countries; and Jiangsu Hengrui Medicine to develop and commercialise VT-1161 in China for the treatment or prevention of a range of fungal conditions. Malin, alongside other shareholders in Viamet, will benefit from both of these partnerships if the molecule is clinically and commercially successful.

In December 2020 and January 2021, Mycovia announced impressive efficacy and safety data from all three of its Phase 3 clinical studies of VT-1161 in treating RVVC patients. Mycovia expects to submit an NDA for oteseconazole (VT-1161) in the first half of 2021 and launch in the US before the end of 2021.

Candidate	Pre-clinical	Phase 1	Phase 2	Phase 3	Indication
OTESECONAZOLE (VT-1161)					Recurrent vulvovaginal candidiasis
VT-1161					Onychomycosis
VT-1598					Coccidioides

Altan is a specialty pharmaceutical group that develops, manufactures and markets generic injectable medications for hospitals in over 50 countries, with a primary focus on Europe.



At 31 December 2020:

€60.4 million

IPEV fair value estimate

€36.3 million

net invested capital

65%

equity ownership

Altan's products cover pain, anti-infective and other indications in a variety of presentations, including lyophilised vials, liquid vials, ampoules and flexible plastic bags. Altan's key consumer market is European countries but the company also generates significant revenue from international sales to countries in Latin America and Asia.

With the exception of the Spanish market, Altan traditionally out licensed its products to third-party distributors, but in recent years the company has been very successful in building a direct commercial presence in major European countries including France, Germany, Italy, the UK and Portugal. While Altan continues to focus on further expanding its direct commercial presence into additional European markets, it is also focused on launching several new products this year. Having deployed significant operational and financial resources into developing out

its R&D pipeline in recent years, Altan has completed more than 150 national marketing authorisations across Europe over the past three years and has over 20 products in development.

After an excellent revenue-performance in 2020, which saw top-line growth of 22%, Altan is targeting strong year-on-year revenue and earnings growth in 2021 and beyond, supported by new product launches and expansion of its direct commercial presence.

Xenex is a commercial-stage UV-light disinfection technology company harnessing the power of xenon light to eliminate pathogens and assist infection control programmes in hospital and other settings.



At 31 December 2020:

€35.1 million

IPEV fair value estimate

€23.6 million

net invested capital

11%

equity ownership

Located in San Antonio, Texas, Xenex LightStrike robots have been deployed in more than 500 healthcare facilities around the world. LightStrike robots use a patented Pulsed Xenon UV light system that produces UV across the entire germicidal spectrum, deactivating

pathogens at the wavelengths where they are most susceptible.

During 2020, an independent study confirmed the ability of Xenex's robot to deactivate the virus that causes COVID-19 and the company is continuing

efforts to deploy its best-in-class UV disinfection technology in healthcare and non-healthcare settings worldwide, including airports, convention centres, hotels and sports arenas.

Risk Management

The execution of Malin's strategy is subject to a number of risks and uncertainties. A vigorous and effective risk management framework is essential for Malin to achieve its stated objectives. The ongoing assessment and review of the risks facing Malin and each of its investee companies is a key focus of the Board to ensure that the risks are well understood and mitigated insofar as possible.

Risk Management Roles and Responsibilities

Everyone within Malin has an active role in managing risk and fostering a positive attitude to risk management within the organisation. The Board recognises that this is achieved by having a broad-based and deeply embedded culture of risk awareness and risk management throughout the organisation. In order to facilitate this, certain responsibilities are assigned within the organisation as outlined below.

Board of Directors

The Board of Malin has overall responsibility for Malin's risk management and sets the "tone from the top" of the organisation. The Board is also responsible for determining the overall risk appetite. The Board has delegated certain aspects of the day-to-day operation and oversight of the risk management framework to the Audit Committee and to Malin management.

Audit Committee

The Audit Committee oversees the internal controls of the company and reviews the risk register on a regular basis. Refer to the Audit Committee Report on pages 39 to 41.

Executive management team

The executive management team implements the Board's risk strategy and has day-to-day responsibility for the management of identified risks and for Malin's control environment. Management also has responsibility for identifying, assessing and mitigating risks to the greatest extent possible and ensuring that updates to risks at both the Malin level and at investee company level are appropriately communicated to the Audit Committee.

External advisors and investee company board members

Working with the Malin executive management team, Malin's representatives on investee company boards ("Designated Directors" and/or "Observers") are responsible for identifying and assessing risks at both a Malin level and investee company level and adding these to the risk register. The Designated Directors and Observers engage with executive management to highlight risks and ensure mitigating actions or controls are taken against the risks identified.

In addition, and as required, Malin engages external advisors to carry out reviews of and provide advice on different areas of Malin's activity.

Malin's Key Risks and Mitigating Factors and Actions

The operations of Malin and the implementation of its objectives and strategy are subject to a number of key risks and uncertainties. Malin could have specific risks related to its business as well as being exposed to risks related to its investee companies.

Risk and description	Mitigating factors and actions
1. Asset Risk The successful clinical and commercial progression of the Group's investee companies over time has a significant impact on the potential for Malin to deliver significant returns for shareholders and transformative outcomes for patients in the future. The failure of certain of Malin's key investee companies to progress clinically or commercially could have a material impact on Malin's financial position and the potential future returns to shareholders.	Malin has a Board of Directors and executive management team with exceptional commercial and industry experience, together with a library of in-depth knowledge of Malin's investee companies built up over a period of up to six years since acquisition. A Malin representative is appointed as a Designated Director, or Observer, to the board of the majority of our investee companies and uses this experience to monitor investee company activity and direct investee company strategy where possible. Malin management also regularly engages informally with key investee company personnel. Maintaining this formal and informal engagement with investee companies is integral to Malin's risk process. Malin's key investee companies currently provide high-quality exposure to multiple innovative technologies across the rapidly developing fields of immunology, oncology and genetic diseases and are companies in which Malin holds meaningful stakes. This gives Malin the potential for significant returns from successful assets while the downside risk is protected by the diversity of the portfolio.

Risk Management

continued

Risk and description

Mitigating factors and actions

2. Capital Risk

The inability of Malin to fund its operations and follow-on investment opportunities in its key investee companies or the acquisition of interests in new investee companies in the future could significantly damage Malin's long-term value potential.

Malin's share price could be disproportionately affected by the actions of one or more of its shareholders.

Malin's immediate strategy is focused on supporting the development of its assets to their next value inflection points and ultimately an exit event. Some of Malin's key investee companies may require further capital to fund the next phase of their development beyond their next value inflection point while other assets may reach the optimal value inflection point to engage with interested strategic acquirers or to access the public markets.

Malin's Board and executive management closely monitor Malin's current and forecasted cash position, including committed or contingently committed investments, the projected timing of the next value inflection point for each investee company and whether a follow-on investment opportunity or value realisation event is most likely beyond this point. Management is hopeful of inflows from asset realisations as a number of assets reach maturity and the optimal value inflection points for Malin to realise some or all of its investment and intends to use those funds to deliver returns for shareholders.

Malin's capital position will vary depending on the timing and attractiveness of investee company follow-on investment opportunities as well as the timing and success of investee company value realisation events. Capital returns to shareholders, new investment opportunities in the future, operating expenditure and new capital inflows will also impact on Malin's capital position.

Malin exercises continued financial prudence in managing its capital position and recently agreed an amendment to the EIB debt contract to allow for further flexibility by deferring scheduled 2021 principal repayments to 2022.

The predominant ownership of Malin equity by a small number of long-term shareholders and the resultant illiquidity of the stock significantly contributed to, what management believe is, a listed Malin share price which is significantly less than the intrinsic price per share based on the value of the underlying asset portfolio. In recent years, Malin has developed an active investor relations engagement programme to help remedy this anomaly in Malin's capital market structure and will continue to communicate with existing and potential investors in this way in a bid to ultimately align Malin's share price with the intrinsic value of the portfolio.

3. Investee Company Influence Risk

The risk that Malin cannot strategically or operationally influence its investee companies and that a strategy pursued by an investee company is one with which it fundamentally disagrees.

Through Malin's Designated Director on investee company boards, Malin aims to contribute to the strategies of its investee companies to drive the maximum value potential.

Malin has a Designated Director or Observer on the board of the majority of its investee companies. Malin continues to work to develop strong business relationships with its investee companies' management teams and boards.

Risk and description

Mitigating factors and actions

4. Talent Risk

Malin's operational and strategic experience and expertise is essential in the management of its assets and vital to the oversight that Malin brings to its investee companies' operations. A deficit in the relevant scientific, technological or commercial experience to best assess the value, strategy and risks of current or prospective investee companies could have a significant impact on Malin's stated strategy of delivering significant returns for shareholders. Malin's ability to attract, integrate and retain key employees and Board members within the company is of critical importance.

Malin operates within a lean and efficient organisational infrastructure focused on driving value from its investee companies.

Malin seeks to create an environment that is vibrant, diverse, energetic, resilient and intellectually curious with a rigorous pursuit for learning and incorporating its knowledge into future activities. Malin is team oriented and collectively driven to achieve meaningful results for its key stakeholders including shareholders, employees, investee companies, and ultimately the world's population overall—all of whom would benefit from advancements in life sciences.

Malin offers a balanced and fair incentive package for all employees designed to reward, retain and motivate employees to deliver on Malin's stated strategy and promote the long-term success of the Group.

5. Market & Policy Risk

Instability in the equity and debt markets could result in the inability to access capital markets or realise value from its investee companies. In addition, unforeseen changes in government policy, regulation or legislation could significantly impact on Malin's operations.

Malin encourages its investee companies to develop their businesses with the aim of having an exciting, broad-based and robust business model that appeals to strategic acquirers as well as the public markets.

Political and economic uncertainty, including impacts from COVID-19 and Brexit, are closely monitored by Malin's Board and executive management, to ensure the Group is appropriately prepared. In addition, forecasting is carried on by the finance function to monitor exposure to adverse interest rate and foreign currency movements and hedging is undertaken as required.

6. COVID-19

Impact of ongoing global COVID-19 pandemic could impact on Malin's operations and the operations and progress of its investee companies.

Malin is closely monitoring, assessing and seeking to mitigate the actual and potential future impacts of COVID-19 on its business activities, financial situation and economic performance. Malin's governance framework and working arrangements have adapted effectively to allow the team to work safely and with minimal disruption.

Malin is working with our investee companies to minimise the impact on operations, including clinical trials' execution, and potential near-term effects from the global economy and capital markets. While the pandemic has had some impact, in particular on clinical trial timelines, the overall impact has not been significant.

Risk Management

continued

Risk and description

Mitigating factors and actions

7. Investee Company Risks

The execution of each of Malin's investee companies' businesses is subject to a number of risks and uncertainties which are identified, assessed and continually reviewed by Malin's management as part of its risk management process. Each company has specific risks and uncertainties. There is a strong correlation between the reduction of these risks and the creation of value in these investee companies. The principal risks that apply to the platform of investee businesses broadly fall within the five risk captions below:

Science & Technology (incl. IP) Risk

The risk that R&D and/or early-stage technology programmes will fail to make it to the clinic or progress as expected. This risk is also associated with a breach or withdrawal of the protection of the company's IP, know-how or business secrets as a result of a legal challenge, fraudulent action or other competitive event.

Clinical and Regulatory Risk

The risk that clinical programmes will fail to make it to the market or progress as planned due to safety, efficacy, regulatory and/or manufacturing issues.

Commercial Launch & Marketing Risk

The risk that business projections are not achieved. The failure to meet projections may be a result of new or stronger than expected competition, pricing/reimbursement issues, cost or any other events that could have a material impact on revenues.

Talent Risk

The risk that the investee company management team does not have the relevant scientific, technological or commercial experience appropriate for the current stage of the business they operate. This could affect the investee company management's ability to plan or execute strategies efficiently, attract the necessary talent, and/or to create a corporation capable of complying with all applicable laws and regulations.

Business Strategy Risk

The risk that the investee company has not formed, implemented or executed a dynamic business strategy/vision or that the strategy deployed is compromised or insufficient. There is a risk that the investee company will or has already positioned itself, its science, or its technology in an unattractive or underperforming market.

Malin seeks to mitigate against the specific risks related to its investee companies in the following ways:

- A diversified platform of life sciences companies spanning therapeutics and stages of development, with meaningful stakes in companies which have a core focus on the rapidly developing fields of immunology, oncology and genetic diseases.
- Operational influence at the Board and strategic executive level of investee companies to highlight specific risks and request the adoption of measures to attempt to mitigate against the specific investee company risk.
- The combined scientific, medical, regulatory and industry experience and expertise of Malin's executive team and Board gives Malin a unique ability to understand and develop businesses with the optimal value creation and risk profile. Malin's experience and expertise is also critical in quickly identifying, highlighting and seeking to mitigate against specific investee company risks.



Governance

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Chair's Corporate Governance Introduction



Dear Shareholder,

I am pleased to present the Corporate Governance Report of Malin Corporation plc (the "Company") for 2020.

In the following pages we introduce the Directors, explain our corporate governance structure and set out the Company's corporate governance disclosures, along with providing an insight into our governance in action through the activities undertaken in 2020.

Working together with my fellow Directors, I have sought to ensure that the Company operates under a robust governance framework which facilitates the growth of Malin's business and the delivery of value to our shareholders. Despite the challenges posed by the global COVID-19 pandemic and the resultant restrictions on in-person meetings, our governance processes have adapted efficiently and effectively to the circumstances. Recognising that the Board would benefit from the addition of complementary skillsets, I was delighted to welcome Luke Corning and Dr Kirsten Drejer as Non-Executive Directors, and Darragh Lyons as an Executive Director, in March 2020. They have each brought their individual skillsets and experience to their Board contributions.

The Board is confident that the current organisational structure and management team is delivering upon the stated objective of progressing our investee companies towards important value inflection points and we look forward to further progress across our investee companies in 2021.

We remain committed to ensuring objectives, both corporate and personal, have a clear link to the Company's strategic goals and to maintaining a reward structure which is appropriate, in line with market and aligns with value creation for shareholders.

I am pleased to report that the results of the 2020 board evaluation process were very positive on the whole, demonstrating the effective composition and interactions of the Board and its Committees. The addition of our three appointments to the Board in 2020, along with the appointment of Luke Corning to the Audit Committee and Dr Kirsten Drejer to the Remuneration Committee, have brought further depth and quality to the Company's governance processes.

The principles of integrity, transparency, accountability and objectivity guide all Board interactions both internally and with other stakeholders. In order to preserve the objectivity and independence of the Company's external auditor, and in line with best practice, a rotation of audit partner occurred in 2020.

We engaged with shareholders on a number of specific topics throughout 2020, supplemented by a more comprehensive and transparent investor relations programme. I, together with my fellow Board members, intend to continue to ensure that there is strong communication between the Board and shareholders, which is a cornerstone of our commitment to transparency, accountability and high standards of corporate governance.

As we look ahead to 2021, we look forward to engaging with shareholders in the context of further progress across Malin's investee company group and delivering the fruits of that progress to shareholders.

Liam Daniel

Chair

22 March 2021

Board of Directors



1. Liam Daniel (69) – Chair

Liam Daniel is a non-executive director of Horizon Therapeutics plc since September 2014 and is a member of the board of the Institute of Directors in Ireland, having previously held the role of president of that board from 2013 to 2015. Mr Daniel served with Elan Corporation plc ("Elan") from 1993 until 2014 in various roles including controller, company secretary, executive vice president and as an executive director. Following Elan's acquisition by Perrigo Company in December 2013, Mr Daniel retired from Elan in March 2014. He is a graduate of University College Dublin, a Fellow of Chartered Accountants Ireland and a Chartered Director.

Position	Date of Appointment	Tenure as of 31 Dec 2020
Chair	2 August 2019	1 year 5 months
Non-Executive Director	12 February 2015	5 years 11 months
Chair of the Audit Committee	3 March 2015	5 years 10 months
Member of the Remuneration Committee	27 August 2019	1 year 4 months

2. Darragh Lyons (40) – Chief Executive Officer

Darragh Lyons joined Malin as Chief Financial Officer in March 2015 and was appointed Chief Business and Financial Officer in November 2018. Mr Lyons was appointed Chief Executive Officer in September 2019. Prior to joining Malin, Mr Lyons held a number of senior finance positions in Elan and worked with PwC in Dublin, the US and Canada. Mr Lyons is a Fellow of Chartered Accountants Ireland.

Position	Date of Appointment	Tenure as of 31 Dec 2020
Executive Director	24 March 2020	9 months
Chief Executive Officer	3 September 2019	1 year 4 months

3. Luke Corning (39) – Non-Executive Director

Luke Corning is head of the Credit and Special Situations group at Pentwater Capital Management LP ("Pentwater"). Pentwater has a 27% economic interest in Malin. In his role, Mr Corning frequently serves on private and public company boards of directors, official committees, and restructuring steering committees. He currently serves on the board of Poseida Therapeutics, Inc, a Malin investee company, as a Pentwater representative. Prior to joining Pentwater in 2014, he spent eight years as the senior investment professional at a large private principal trading and investing firm. Mr Corning began his career as an analyst at Goldman Sachs & Company. Mr Corning earned a B.S. in Finance from Miami of Ohio University and is an alumnus of Harvard Business School.

Position	Date of Appointment	Tenure as of 31 Dec 2020
Member of the Audit Committee	10 September 2020	4 months
Non-Executive Director	24 March 2020	9 months

4. Dr Jean-Michel Cosséry (61) – Independent Non-Executive Director

Dr Jean-Michel Cosséry spent ten years at GE Healthcare ("GEHC") as the chief marketing officer and vice-president, Global Marketing. He represented GEHC at the GE Strategic Board level and he was a member of the board of the Wipro-GE Healthcare joint venture in India. More recently, Dr Cosséry served as vice-president, North American Oncology with Eli Lilly, as well as managing director Northern Europe. Dr Cosséry holds an MBA from the Rotterdam School of Management (Erasmus University). He received his PhD with honours in Nuclear Chemistry and Neurobiology from the University of Paris and conducted post-doctoral research in Neuropharmacology at the National Institutes of Health in the United States. He also holds a Pharm D with honours in Pharmacology from the University of Paris. Dr Cosséry serves on the board of Exact Tx, a MedTech company listed in Norway, and on the board of Malin investee company, Kymab Group Limited. Dr Cosséry also served on the board of Malin investee company, Immunocore Limited, until 21 December 2020.

Position	Date of Appointment	Tenure as of 31 Dec 2020
Independent Non-Executive Director	16 July 2018	2 years 5 months
Chair of the Remuneration Committee	27 July 2018	2 years 5 months
Member of the Nominations and Governance Committee	27 July 2018	2 years 5 months

5. Dr Kirsten Drejer (65) – Independent Non-Executive Director

Dr Kirsten Drejer founded Symphogen, a Danish private biopharmaceutical company focused on the innovative therapeutic utilisation of antibodies. She served as CEO of Symphogen for 16 years until 2016, remaining on the board of that company for a further two years. Prior to founding Symphogen, she held several scientific leadership roles at Novo Nordisk including Director of Diabetes Discovery and Corporate Facilitator. She currently serves on the boards of a number of public companies: Zealand Pharma, where she serves as vice-chair of the board; Bioporto and Alligator Bioscience; in addition to a small number of private and not-for-profit organisations. Dr Drejer was previously a member of the boards of The Danish National Advanced Technology Foundation, the Danish Growth Fund and Danisco until its acquisition by DuPont in 2011. She has an MSc in Pharmacy and a PhD in Pharmacology from the Danish University of Pharmaceutical Sciences.

Position	Date of Appointment	Tenure as of 31 Dec 2020
Member of the Remuneration Committee	10 September 2020	4 months
Independent Non-Executive Director	24 March 2020	9 months

6. Rudy Mareel (57) – Lead Independent Non-Executive Director

Rudy Mareel has been CEO and a member of the Supervisory Board of Polyganics B.V., a Dutch medical technology company, since 2013. He currently serves as chair on the boards of a number of private and not-for-profit organisations in the healthcare sector, in addition to serving on the board of Malin investee company, Altan Pharma Limited. Mr Mareel was formerly CEO of Synthon, president of Cardinal Health, president and executive board member of Royal Numico and held the position of worldwide vice-president/general manager of the BD Biosciences Division of Becton Dickinson.

Position	Date of Appointment	Tenure as of 31 Dec 2020
Lead Independent Non-Executive Director	27 July 2018	2 years 5 months
Chair of the Nominations and Governance Committee	27 August 2019	1 year 4 months
Member of the Audit Committee	27 July 2018	2 years 5 months
Independent Non-Executive Director	16 July 2018	2 years 5 months

Corporate Governance Statement

Principles of Corporate Governance

The Board recognises the importance of good corporate governance in supporting growth in long-term shareholder value and is committed to maintaining the highest standards of corporate governance commensurate with the size and stage of development of the Company.

There is no specific corporate governance regime mandated in Ireland for companies admitted to trading on the Euronext Growth Market of Euronext Dublin, however the Company voluntarily commits to comply with the principles of the Quoted Companies' Alliance Corporate Governance Code for small and mid-size quoted companies (the "QCA Code") and, to the extent they are considered appropriate and practicable given the Company's size and resources, the principal provisions of the UK Corporate Governance Code as published by the Financial Reporting Council (the "UK Code"), together with the Irish Corporate Governance Annex published by Euronext Dublin (together "the Codes").

The Board has also adopted a set of corporate governance guidelines (the "Corporate Governance Guidelines"), which is available on the Company's website. The Corporate Governance Guidelines cover key corporate governance matters, including the mission of the Board, Director responsibilities, Board structure, matters reserved for the Board, Board composition, Independent Directors, Board membership criteria, selection of new Directors, time limits and mandatory retirement, Board evaluation, leadership development, Board committees, Board meeting proceedings, and Board and Independent Director access to senior management.

Leadership

Role of the Board

The Board is responsible for the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy, reviewing and monitoring executive management performance and monitoring risks and controls.

A detailed description of the matters reserved for the Board is set out in the Corporate Governance Guidelines and these include:

- Responsibility for the overall management of the Company
- Approval of the Company's long-term objectives and commercial strategy
- Approval of the Company's annual operating and capital expenditure budgets
- Oversight of the Company's operations, including ensuring the maintenance of adequate accounting and other records
- Changes to the Company's capital structure, including the issue of shares and entering into debt and financing arrangements
- Material acquisitions, disposals and investments
- Approval of interim results, annual reports and financial statements
- Ensuring a sound system of internal control and risk management
- Changes to the structure, size and composition of the Board and Committees
- Selection of the Chair, Chief Executive Officer and Lead Independent Director.

The Board has delegated a number of its responsibilities to standing Committees of the Board and also to the Company's management team. The Board has approved the Terms of Reference of the Committees and the authority limits of management and receives regular updates in respect of all delegated authorities.

Board Composition

At 31 December 2020, the Board comprised of six Directors, being the Chair, three Independent Non-Executive Directors, one other Non-Executive Director and an Executive Director.

On 24 March 2020, Luke Corning and Dr Kirsten Drejer were appointed as Non-Executive Directors of the Board. The Board considers Dr Kirsten Drejer to meet the criteria of an Independent Non-Executive Director. In addition, Darragh Lyons, Chief Executive Officer, was appointed to the Board on that date.

The Board meets regularly, and no less than five times per year. Due to COVID-19 restrictions in place during 2020, all meetings of the Board and its Committees have been held by video conference.

The Directors have established three standing committees, being an Audit Committee, a Remuneration Committee, and a Nominations and Governance Committee, to assist in the execution of its responsibilities. Each Committee has formally delegated rules and responsibilities and operates in accordance with its Terms of Reference. Further details in respect of each of these Committees and the work carried out by them in 2020 is outlined on pages 39 to 51.

Chair of the Board

The Chair's primary responsibility is to lead the Board. His role is to ensure that the Board is effective as a group and that it upholds the highest standards of integrity and corporate governance. He is also responsible for ensuring that all Directors receive accurate, timely and clear information to enable them to carry out their duties and for ensuring that the Board agendas contain adequate time for the discussion of all agenda items, in particular, strategic issues. The Chair is responsible for ensuring that there is ongoing and effective communication with shareholders and that members of the Board develop and maintain an understanding of the views of shareholders.

Liam Daniel has served as Chair of the Board since 2 August 2019, having served as an Independent Non-Executive Director since March 2015. The Board considers Liam Daniel to possess the necessary experience, both within the life sciences sector and arising from his governance roles, to effectively lead the Board, maintain ongoing communication with shareholders and ensure the Company's strategy is focused on the delivery of shareholder value.

Non-Executive Directors

The Non-Executive Directors' main responsibilities are to review the performance of management, assist in strategy development, and ensure that appropriate and effective systems of internal control and risk management are in place. They are expected to challenge management proposals constructively and to draw on their experience and knowledge in relation to challenges facing Malin and the development of Malin's strategy. The Non-Executive Directors review the relationship with the external auditor through the Audit Committee, monitor remuneration policy and structures through the Remuneration Committee and oversee potential governance and conflict issues through the Nominations and Governance Committee.

Lead Independent Director

The Lead Independent Director, a position currently held by Rudy Mareel, coordinates, in a lead capacity, the Independent Non-Executive Directors and provides ongoing and direct feedback to the Board. The specific responsibilities of the Lead Independent Director are set out in the Corporate Governance Guidelines.

Chief Executive Officer

The Chief Executive Officer ("CEO") is responsible for the day-to-day management of Malin's operations and the implementation of strategy and policies agreed by the Board. The CEO plays a key role in executing the Company's strategy as set by the Board, capitalising on value opportunities within the Company's investee companies and delivering value to shareholders.

The Board considers Darragh Lyons to possess the experience, in-depth knowledge of the Company's investee companies and the strategic and financial expertise necessary to drive the execution of the Company's strategy for the delivery of shareholder value.

Corporate Governance Statement

continued

Company Secretary

The Company Secretary reports directly to the Chair on governance matters and supports the Chair in ensuring the Board Functions effectively and fulfils its role. The Company Secretary is also secretary to each of the Board Committees. The Company Secretary ensures that Malin is in compliance with applicable rules and regulations and is responsible for advising the Board, through the Chair, on all governance matters. All Directors have access to the advice and services of the Company Secretary and the appointment and removal of the Company Secretary is a matter for the Board.

Conflicts of Interest

The Board has adopted a Conflicts of Interest Policy which is overseen by the Nominations and Governance Committee. Directors have an ongoing obligation to update the Board on any changes to potential conflicts they may have.

Directors' and Officers' Liability Insurance

The Company maintains appropriate Directors' and Officers' liability ("D&O") insurance cover, the level of which is reviewed annually.

Board Attendance

During 2020, the Board held six scheduled meetings. In addition to the scheduled meetings, the Board was also convened on five other occasions to address specific matters. The individual attendance record of the Directors at Board meetings during 2020 is set out in the table below.

Director	Number of Board Meetings attended in 2020
Liam Daniel (Chair)	11/11
Luke Corning*	8/8
Dr Jean-Michel Cosséry	9/11
Dr Kirsten Drejer*	8/8
Darragh Lyons*	8/8
Rudy Mareel	11/11

*Appointed to the Board on 24 March 2020

Remuneration

Details of the Directors' remuneration are set out in the Remuneration Committee Report on pages 42 to 49.

Effectiveness

Independence of Directors

The Corporate Governance Guidelines, and the QCA Code, provide that at least two members of the Board should be independent. The Board has adopted the standard set out in the UK Code in assessing the independence of Directors.

The Board has considered the independence of each Non-Executive Director, and affirmatively determined Dr Jean-Michel Cosséry, Dr Kirsten Drejer and Rudy Mareel to be independent in character and judgment and that there are no relationships or circumstances that are likely to affect their independent judgment. Liam Daniel was considered independent in his role as a Non-Executive Director which he held immediately prior to his appointment as Chair. The Board considers Luke Corning not to be independent within the standard set out in the UK Code, given the economic interest held by his employer, Pentwater, in the Company.

The Board is committed to ensuring strong, independent leadership at Board level and is satisfied that Rudy Mareel, Lead Independent Director, possesses these characteristics and will continue to lead the Non-Executive Directors, promote strong corporate governance at the Company and act as a conduit for shareholders should they have any concerns.

In considering their independence, the Board has taken into account that Dr Jean-Michel Cosséry and Rudy Mareel represent and have represented Malin on the boards of three of its investee companies and are compensated by Malin in respect of those duties, separate to their Non-Executive Directors' fees. At 22 March 2021, Dr Jean-Michel Cosséry serves as a director of Kymab Group Limited and Rudy Mareel serves as a director of Altan Pharma Limited. In addition, Dr Cosséry served as a director of Immunocore Limited until 21 December 2020, having submitted his resignation in advance of that company's initial public offering on Nasdaq. These arrangements are not considered to impair the independence of either Director and the Board will keep this matter under review throughout 2021.

Details of the compensation payable in respect of their Directors' duties in connection with investee companies are provided in the Remuneration Committee Report on page 47.

Appointments to the Board

Luke Corning, Dr Kirsten Drejer and Darragh Lyons were appointed to the Board on 24 March 2020.

The Nominations and Governance Committee leads the process for Board appointments and makes recommendations to the Board in this regard. This Committee prepares a detailed description of the role and necessary skillset against which potential candidates are assessed. All candidates are evaluated for their suitability in terms of skills, expertise and independence before being appointed to the Board. The terms and conditions of the Non-Executive Directors' appointments are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal business hours.

Commitment

Under their terms of appointment, the Non-Executive Directors agreed to devote such time as is necessary for the proper performance of their duties and agreed to be prepared to spend at least 15–20 days per year on Malin business, which includes attendance at five scheduled Board meetings, the Annual General Meeting ("AGM") and up to two other dates set-aside as provisional Board dates and/or events. In addition, Non-Executive Directors are aware that they are expected to devote appropriate preparation time in advance of meetings.

Induction

All Directors received a Director Induction Pack at the time of their appointment to the Board which provides background information on Malin, its investee companies and the various obligations arising from its governance structures and listing on the Euronext Growth Market. In addition, all Directors were given the opportunity to speak with the Company Secretary and senior management to discuss any queries they had in respect of the Company.

Training and Development

The Chair of the Board is responsible for ensuring that all Directors receive ongoing training and development to allow them to discharge their duties to the best extent possible. The Chair seeks feedback from Directors regarding topics for additional training and development.

Information and Support

The Company Secretary, under the direction of the Chair, is responsible for ensuring good information flow within the Board and its Committees and between management and the Board. Prior to each Board meeting, the Directors receive an agenda with supporting papers. The Board uses an electronic board pack system to ensure that Directors can access all Board papers quickly and easily. The Chair maintains regular informal contact with Directors.

Independent Advice

The Directors have access to independent professional advice at the Company's expense where they judge it necessary in order to discharge their responsibilities.

Board Evaluation

The Board recognises the importance of evaluating the performance of the Board, its Committees and all Directors, on a regular basis and is committed to undertaking a Board Evaluation process annually, to be overseen by the Nominations and Governance Committee. The Board evaluation is designed to enable consideration of the balance of skills, experience, diversity, independence and knowledge of the Directors, how the Board works as a unit and other factors relevant to its effectiveness and the effectiveness of its Committees. The key findings and recommendations of the 2020 Board Evaluation process are summarised in the Nominations and Governance Committee Report on pages 50 to 51.

Election/re-election

All Directors appointed to the Board are required to offer themselves for election at the first AGM after their appointment. The Board resolved that, in line with the UK Code, all other current Directors would also offer themselves for re-election at the 2020 AGM held in July 2020.

Liam Daniel, Dr Jean-Michel Cosséry and Rudy Mareel offered themselves for re-election at Malin's 2020 AGM and were duly re-elected. In addition, Luke Corning, Dr Kirsten Drejer and Darragh Lyons offered themselves for election at the 2020 AGM and were duly elected.

It is anticipated that all Directors will offer themselves for re-election at the Company's 2021 AGM.

Corporate Governance Statement

continued

Accountability

Financial and Business Reporting

Page 9 contains an outline of the Company's business model, including the basis on which it intends to generate value over the long-term and to deliver on its strategic objectives. The Board is committed to providing a fair, balanced and understandable assessment of the Company's position and prospects.

Going Concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly have adopted the going concern basis in preparing the financial statements. In making this assessment, the Directors have taken into account the Company's year-end cash position, twelve-month projected cash flows and any further inflows that may occur during 2021 from asset realisations.

Risk Management

The Board retains ultimate responsibility for determining the Company's level of risk tolerance. The Board has approved the Company's Risk Management Policy and has undertaken an assessment of the principal risks facing the Company. Details of the risks identified and the process by which the Board oversees risk management are contained on pages 24 to 28. The Board has delegated responsibility for the ongoing review of the Company's Risk Register to the Audit Committee.

Internal Controls

The Board is responsible for maintaining the Company's system of internal controls, safeguarding the Company's assets and for reviewing the effectiveness of that system at least once per year. The Company's internal control systems are designed to identify, manage and mitigate financial, operational and compliance risks inherent to the Company. In addition, they are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Audit Committee has responsibility for ensuring the adequacy and effectiveness of the Company's internal financial controls and further details on this topic are contained in the Audit Committee Report on pages 39 to 41.

Relations with Shareholders

Shareholder Communication

The Chair, Lead Independent Director and CEO are the primary links between the Board and shareholders. Through the Company's investor relations programme, meetings are held with investors and analysts on a regular basis. The Board is kept informed of the views of shareholders through regular updates at Board meetings. Analyst research on the Company is also shared with the Board.

The Chair is responsible for ensuring that the views of shareholders are communicated to the Board as a whole. Significant matters relating to the Company are announced to the market by way of Regulatory News Service announcements. Such announcements also appear on the Company's website, www.malinplc.com. The website also contains annual and interim reports and recent investor presentations. As appropriate, the Chair and Lead Independent Director engage with shareholders on specific topics and ensure shareholder feedback is given due consideration by the Board as a whole.

Annual General Meeting

Formal notification and related papers are sent to all shareholders at least 21 days before the AGM and separate resolutions are proposed on each substantially separate issue. For each resolution, proxy appointment forms provide shareholders with the option to direct their proxy to vote for or against a resolution, or to withhold their vote. Shareholders attending the AGM are informed of the number of proxy votes lodged for each resolution, and the number of votes for, against or withheld respectively. Details of proxy votes received are also made available on the Company's website following the AGM. Other general meetings may also be convened from time to time on at least 21 days' notice for the passing of a special resolution and otherwise on at least 14 days' notice. The AGM gives shareholders an opportunity to ask questions of the Chair and, through him, the Chairs of the various Board Committees.

Share Dealing

As a company listed on the Euronext Growth Market, Malin is subject to the Market Abuse Regulation ("MAR") and the Board has adopted a share dealing code to ensure compliance with MAR. Under the share dealing code, Persons Discharging Managerial Responsibility ("PDMRs"), including all Directors, are required to obtain clearance before dealing in Company shares. PDMRs and applicable employees are prohibited from dealing in Company shares during closed periods and prohibited periods, and when the individual is in possession of inside information.

Audit Committee Report



Dear Shareholder,

On behalf of the Board, I am pleased to present to you the report of the Audit Committee of Malin Corporation plc for the year ended 31 December 2020.

Overview

The Audit Committee (the “Committee”) comprises the Chair of the Board and two Non-Executive Directors, one of whom is considered to be independent within the standard set by the UK Code and in accordance with the requirement of the Companies Act 2014. Luke Corning was appointed to the Audit Committee in September 2020. Although the Board considers Mr Corning not to be independent, given the economic interest held by his employer, Pentwater, in the Company, the Board believes that his financial acumen and capital markets’ experience serve to enhance the Committee’s performance.

The Audit Committee operates in accordance with its Terms of Reference as adopted by the Board and which are available on the Company’s website.

The Audit Committee’s primary responsibility is to ensure that the financial performance of the Company is properly monitored and reported. The Audit Committee also has a duty to ensure that the Company’s annual report and financial statements are fair, balanced and understandable and that they provide the information necessary for shareholders to assess the Company’s performance, business model and strategy.

Activities in 2020

During 2020, the Audit Committee continued to focus on verifying that the Company is accounting for its investments appropriately to ensure that the financial statements give a true and fair view of the Company’s financial affairs. Building upon the work carried out as part of an external International Private Equity and Venture Capital (“IPEV”)-compliant fair value review in a prior period, the Committee regularly reviewed the Company’s IPEV fair value position in 2020. It is satisfied that the methodology applied is in line with IPEV standards and has been applied consistently across investee companies and review periods. The Committee also closely monitored the Company’s cash position, operating expenditure, the covenants which the Company is subject to under its debt facility with the European Investment Bank (“EIB”) and the Company’s anticipated investment inflows and outflows.

Details of the significant issues considered by the Audit Committee in respect of the financial statements are set out on page 40.

In addition, the Audit Committee considers the independence of the Company’s auditors and in so doing evaluates the level of audit and non-audit fees paid with the aim of ensuring that the principles of independence, objectivity and transparency are maintained in respect of the Company’s relationship with its auditors. In order to preserve the objectivity and independence of the Company’s external auditor, and in line with best practice, a rotation of audit partner occurred in 2020.

Liam Daniel

Chair, Audit Committee

22 March 2021

Audit Committee Report

continued

Major Tasks undertaken by the Audit Committee

Financial Reporting	Consideration of the accounting policies adopted by Malin Consideration and review of the 2019 annual financial statements Consideration and review of the 2020 interim financial statements
Narrative Reporting	Review of the content of the 2019 annual report Review of the content of the 2020 interim report
External Audit	Review of the report from the external auditor on the key findings from the 2019 year-end audit Review of the report from the external auditor on the key findings from their review of the 2020 interim financial statements Review of the external auditor plan for the 2020 year-end audit Re-appointment of the external auditor Oversight of audit partner rotation
Budget	Review and recommendation to Board for approval of the Malin 2021 operating expenses budget
Internal Controls	Review of internal control framework and internal delegated financial authorisation limits
Risk	Review of the risk framework

Significant issues considered in relation to Malin's Financial Reporting

Matters	Judgments
Accounting Policies of Malin	The Committee considered the Company's accounting policies to ensure that the policies adopted continued to be appropriate and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and those parts of the Companies Acts 2014 applicable to companies reporting under IFRS.
Accounting treatment of Malin's investee company interests	The Audit Committee assessed the accounting treatment to be applied to ensure that each investee company interest is correctly accounted for and adequately disclosed in the financial statements. The determination of the classification and hence the accounting for each investee company under IFRS focuses on the ability of the Company to exercise control (subsidiary companies) or significant influence (associate investment companies). Where it is determined that the Company does not exercise control or significant influence, investee companies are classified as financial assets held at fair value through other comprehensive income. The Audit Committee is satisfied that the financial statements appropriately account for, and adequately disclose, all investee company interests held by the Company as at 31 December 2020.
Impairment of Malin's investments	The Audit Committee assessed the potential for impairments to the carrying value of the Company's investments.
Capital Position	The Audit Committee closely monitored the Company's cash position, committed and uncommitted investment outflows and the EIB debt covenants. The Committee also assessed the likelihood of inflows from asset realisations thereby monitoring the need to seek to raise additional capital. The Committee oversaw the negotiation of the amendments to the Company's finance contract with the EIB.
Asset Fair Value Review	The Audit Committee regularly reviewed the IPEV fair value assessment of the Company's investee companies and is satisfied that the methodology has been applied consistently across investee companies and review periods.

External Auditor

KPMG was appointed as the Company's external auditor in March 2015.

The external auditor has a standing invitation to attend the Audit Committee's meetings and representatives from KPMG attended all three of the Audit Committee's meetings in 2020. The Audit Committee had an open relationship with the external auditor throughout the year.

The Audit Committee has evaluated the work undertaken by the external auditor during 2020, taking into account the other services provided to the Company by KPMG, and the Audit Committee is satisfied with their effectiveness, objectivity and independence. The Audit Committee does not believe it is appropriate for the external auditor to tender for the audit work at this time. The Audit Committee will continue to review this determination on an annual basis. In order to preserve the objectivity and independence of the Company's external auditor, a rotation of audit partner occurred in 2020 in accordance with the Irish Auditing and Accounting Supervisory Authority ("IAASA") Ethical Standard for Auditors 2017, EU regulation and the Companies Act 2014.

Internal Financial Controls

The Audit Committee is satisfied that the level of internal financial controls that the Company had in place during 2020 was appropriate for a public company, taking into account the Company's size and stage of development.

Risk Management

The Board retains ultimate responsibility for determining the Company's level of risk tolerance. The Board has approved the Risk Management Policy and has undertaken an assessment of the principal risks facing the Company. Detail on the risks identified and the process by which the Board oversees risk management is contained on pages 24 to 28. The Board has delegated responsibility for the ongoing review of the Risk Register to the Audit Committee.

Confidential Disclosures (Whistleblowing) Policy

The Company does not currently have a Confidential Disclosures (Whistleblowing) Policy in place and the Audit Committee is satisfied that this is not required at this point given the Company's size and stage of development. The Audit Committee keeps this under review on an annual basis in conjunction with the Company Secretary.

Audit Committee membership and attendance at meetings in 2020

Members	2020 meetings
Liam Daniel (Chair)	3/3
Luke Corning*	1/1
Rudy Mareel	3/3

* Appointed to the Audit Committee effective 10 September 2020

In addition to the Committee members, relevant members of the internal finance team attend the Audit Committee meetings by invitation. The Board considers that the Audit Committee Chair has sufficient recent and relevant financial experience and that there is sufficient financial and commercial experience within the Committee as a whole. Biographies of the current members of the Audit Committee, which set out their experience, are contained on pages 32 and 33.

Remuneration Committee Report



Dear Shareholder,
On behalf of the Board,
I am pleased to present
to you the report of the
Remuneration Committee
of Malin Corporation plc
for the year ended
31 December 2020.

Overview

The Remuneration Committee (the “Committee”) comprises the Chair of the Board and two Independent Non-Executive Directors and was convened twice during 2020. Dr Kirsten Drejer was appointed to the Committee on 10 September 2020.

The Committee operates in accordance with its Terms of Reference as adopted by the Board and which are available on the Company’s website.

Activities in 2020

In 2020, the Committee built upon the work completed in prior periods to maintain the clear and transparent alignment of remuneration with the delivery of the Company’s short-term and long-term strategy. This principle guides all judgments made in respect of the Company’s remuneration framework.

The Committee takes account of the views of shareholders and best practice governance guidelines in setting clear, objective and understandable targets against which performance, both corporate and individual, can be clearly measured.

The Committee reviewed the performance of the Company and senior management against the objectives set out in the Company’s Annual Cash Bonus Plan and determined the level of bonus awarded to individual employees in respect of the reward period to 31 March 2020.

Disclosure

The Board is committed to high standards of disclosure and transparency in respect of remuneration. This report incorporates an Executive Directors’/Senior Management Remuneration Policy table which explains the components of our remuneration framework for Executive Directors and senior management. In addition, we have included a “single figure of remuneration” for each individual who held the position of Director of the Company in 2020.

2021 AGM

This Remuneration Committee Report will be put to a shareholder “advisory” vote at Malin’s 2021 AGM. While there is no legal obligation on the Company to put such a resolution to shareholders, the Committee and the Board believes that this is in line with best practice and recognises the importance of shareholders’ views in respect of Directors’ and senior management remuneration.

As was the case during the past financial year, the Committee will take into consideration all shareholder views received during the year and at the AGM, as well as guidance from shareholder representative bodies more broadly, in shaping the Company’s implementation of its Remuneration Policy and in effecting any future changes to this policy.

Dr Jean-Michel Cosséry
Chair, Remuneration Committee
22 March 2021

Principal Responsibilities of the Remuneration Committee

The principal responsibilities of the Remuneration Committee as described in detail in its Terms of Reference are, among others, to:

- Determine and agree with the Board the framework for the remuneration of Executive Directors and senior management
- Ensure that a significant proportion of the Company's remuneration is structured so as to link rewards to corporate and individual performance as well as Company strategy and is designed to promote the long-term success of the Company
- Approve the design of all performance related pay plans operated by Malin and approve the total annual payments made under such plans
- Review the design of all share incentive schemes prior to recommendation to the Board for approval
- Determine whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and senior management, where applicable, and the related performance targets.

The remuneration of Non-Executive Directors and the CEO is approved by the Board.

Key areas of focus for the Remuneration Committee during 2020

- Consideration and approval of the Company's annual compensation cycle
- Review of performance against objectives set out in the Company's Annual Cash Bonus Plan in awarding bonuses in respect of the review period to 31 March 2020
- Review of the Company's reward framework to include clear objectives in the short, medium and longer term linked to the delivery of shareholder value.

Remuneration Committee membership and attendance at meetings in 2020

Members	2020 meetings
Dr Jean-Michel Cosséry (Chair)	2/2
Liam Daniel	2/2
Dr Kirsten Drejer*	0/0

* Appointed to the Remuneration Committee effective 10 September 2020

The Board considers that the Chair of the Remuneration Committee has recent and relevant commercial experience for the role and that there is sufficient commercial experience within the Remuneration Committee as a whole. Biographies of the current members of the Remuneration Committee, which set out their experience, are contained on pages 32 and 33.

Executive Directors'/ Senior Management Remuneration Policy

The Company's policy on Executive Director and senior management remuneration is designed to reward, retain and motivate these individuals to deliver strategy and promote the long-term success of the Company. The components of remuneration and incentive arrangements for Executive Directors and senior management are set out in the table on the following page.

Remuneration Committee Report

continued

Element	Purpose and link to Malin's Strategy and Operation	Maximum Opportunity	Performance Metrics
Current Incentives			
Base Salary	To provide an appropriate level of fixed remuneration to reflect the skills and experience of the individual, and which is sufficient to attract and retain individuals of the necessary calibre to execute the Company's strategy.	There is no prescribed maximum. Salaries are reviewed annually by the Remuneration Committee, having regard to individual and Company performance. In addition, all salaries and benefits are benchmarked on a regular basis by third-party remuneration consultants.	Individual and Company performance are considered in setting base salary, in addition to the results of a peer benchmarking exercise.
Pension	To provide a market-competitive pension package. Pension contributions are calculated on base salary only. Contributions are made into the Company's defined contribution pension scheme or an individual's personal pension plan.	Up to 15% of base salary.	Not performance related.
Benefits	To provide a market-competitive level of benefits. The benefits currently provided by the Company comprise a contribution towards the cost of health insurance and benefits under the Company's group risk schemes including death-in-service cover and long-term disability cover.	There is no prescribed maximum. The level of benefits is set at an appropriate market rate and is reviewed periodically.	Not performance related.
Annual Cash Bonus Plan	To reward individuals for their performance on the achievement of annual individual and Company goals. Rewards are based on a combination of individual and Company performance metrics.	The Remuneration Committee sets the maximum available bonus pool for a review period, in addition to setting individual bonus opportunities for each member of senior management. On an annual basis, the Committee reviews the performance of each member of senior management, following which a final determination is made as to any bonus to be paid to an individual in respect of the review period.	Company goals and objectives are approved by the Remuneration Committee in advance of the review period. The achievement of all Company goals in respect of a review period is a prerequisite for the payment of any award under this plan. Awards are determined by the Remuneration Committee based on whether Company goals have been achieved and individual performance metrics.

Element	Purpose and link to Malin's Strategy and Operation	Maximum Opportunity	Performance Metrics
Long Term Asset Realisation and Growth Plan	To benefit and advance the interests of the Company and its shareholders by focusing and rewarding the Company's senior management team on realising significant value from the Company's investee companies.	The Remuneration Committee sets the maximum available award pool, in addition to setting individual award opportunities for each member of senior management.	Performance targets are set by the Remuneration Committee and linked to the realisation of value in excess of a threshold amount of €512 million, up to a maximum of €841 million (inclusive of earnouts agreed in the period), from the Company's investee companies in the period to 31 December 2022.
	To retain, motivate and align the interests of employees with those of shareholders in a clear, measurable and objective reward framework.	On an annual basis, the Committee reviews the performance of each member of senior management.	A bonus pool is created of 9% of the realised value in excess of €512 million up to €662 million, and 12% of realised value in excess of €662 million up to a maximum of €841 million. The threshold amount of €512 million must be achieved for any bonus pool to be created and no bonus is payable for any realised value in excess of €841 million. If the €512 million threshold amount is not reached, no bonus is payable and the plan expires.
	A 3.5 year service term applies through to 31 December 2022 and no payments shall be made under the plan prior to 31 December 2022, subject to Remuneration Committee discretion to reduce the term if the plan targets have been achieved prior to this date.	Following this review, a determination is made as to any adjustments to be made to an individual's opportunity to benefit from any bonus pool created under this plan.	
	The Remuneration Committee retains the authority and discretion to make amendments to the plan.		
	The plan includes provisions in the event of a Change of Control event or the passing of a shareholder resolution to voluntarily liquidate the Company.		The plan provides for the above thresholds to be adjusted to take into account further investments by the Company in any of its existing investee companies. In the year ended 31 December 2020, the Company acquired an additional 2% of the issued share capital of Kymab Group Limited and the thresholds above have been adjusted accordingly.

Notes to the Senior Management Remuneration Policy table

Reward Framework Review

The Remuneration Committee is committed to ensuring the clear and transparent alignment of remuneration with the delivery of the Company's short-term and long-term strategy and this principle guides all judgments made with regard to the design of appropriate remuneration plans.

Working with third-party remuneration consultants, the Committee designed the framework for the Company's Annual Cash Bonus Plan and 2019 Long Term Asset Realisation and Growth Plan ("2019 LTARGP"). Within each of these plans, the Committee has set clear, objective and measurable corporate objectives appropriate to the relevant review period. In addition to corporate objectives, individual performance is a key determinant of any final awards made under either plan and is measured against clear and predefined individual performance targets.

Remuneration Committee Report

continued

The structure of these plans reaffirms the Company's belief in and commitment to:

- The significant potential of the Company's investee companies;
- The delivery of value to shareholders; and
- The maintenance of the Company's efficient operating model and strong capital position.

Approach to target setting and performance measure selection

In establishing corporate objectives, the Remuneration Committee determined the five core areas below as being critical to the ultimate development of the business and creation of shareholder value:

- Value Creation
- Asset Realisations
- Total Shareholder Returns
- Shareholder Relations & Communications
- Cash Flow and Financial Strength.

In designing the framework for the Annual Cash Bonus Plan and 2019 LTARGP, the Committee has set specific objectives encompassing each of the categories above and which are appropriate to the review period. Objectives within the Annual Cash Bonus Plan are designed to be of a short-to-medium term nature. By contrast, the 2019 LTARGP has a longer-term perspective and is intended to retain and motivate key employees to realise the maximum value possible from the Company's investee companies.

In addition, individual objectives are established and agreed with each individual at the beginning of the performance cycle and are appropriate to each individual's role within the organisation, level of experience and contribution to the achievement of Malin's corporate objectives. Each individual is assessed against his/her objectives as part of the annual performance appraisal process and the performance of senior executives is ultimately considered and appraised by the Remuneration Committee.

Remuneration across all organisational levels

Remuneration for all other levels within the organisation is determined based on broadly consistent principles as those for the executives. Annual salary reviews take into account Company performance, local pay and market conditions to help ensure that rewards within the Company remain competitive.

Legacy Incentive Plans

2015 LTIP

The 2015 Long Term Incentive Plan ("2015 LTIP") came into effect on 1 November 2015. No awards were made to employees under the 2015 LTIP in 2020. It is envisaged that no awards will be made to employees under the 2015 LTIP while the 2019 LTARGP, described above, is in operation.

All outstanding and unvested restricted stock units ("RSUs") held by current employees, and which remain subject to performance targets, will be tested on 12 May 2021, at which point these RSUs will lapse or vest.

The 2015 LTIP contains clawback provisions for material misstatement of accounts or material wrongdoing by a participant. An award will lapse on the cessation of employment, subject to the existence of specific circumstances or Remuneration Committee discretion. On a change of control event, the Remuneration Committee has a range of options to consider with regards to unvested awards.

Awards may be made to Non-Executive Directors under the 2015 LTIP, the terms of which are set out below in the "Non-Executive Director Remuneration Policy". Upon her appointment to the Board, Dr Kirsten Drejer was awarded 25,000 RSUs which are not subject to performance criteria and will vest on the earlier of ten years from the date of grant; or 90 days after Dr Drejer ceases to be a Director of the Company, subject to the terms of the plan.

2015 LTBP

The 2015 Long Term Bonus Plan ("2015 LTBP") expired on 1 November 2020 as the applicable Total Shareholder Return ("TSR") targets were not achieved at the relevant measurement dates. Consequently, no payments were made pursuant to this plan.

Non-Executive Director Remuneration Policy

Element

Non-Executive Director Fees

Purpose and Link to Malin's strategy and Operation	Applicable Fees
To attract and retain Non-Executive Directors with the required skills and experience and reward them for fulfilling the relevant role.	Annual fees as at 31 December 2020 were:
In addition to the base fee, Non-Executive Directors, other than the Chair of the Board, are paid additional fees for memberships of Board Committees. Fees for Non-Executive Directors are set by the Board.	Chair fee: €125,000
Non-Executive Directors are entitled to participate in the Company's 2015 LTIP. All grants made to Non-Executive Directors of the Company will vest on the earlier of: (i) ten years from the date of grant; or (ii) 90 days after the individual ceases to be a Director. An award will lapse in the event that the Director ceases to be a Director of the Company within twelve months from the date of grant, unless the Board resolves that such award shall not lapse. The awards made to Non-Executive Directors do not contain performance-related elements.	Base Director fee: €50,000
	Audit Committee Chair fee: €20,000
	Audit Committee Membership fee: €15,000
	Other Committee Chair fee: €10,000
	Other Committee Membership fee: €7,500
	Lead Independent Non-Executive Director fee: €10,000
	Membership of Investee Company board: €10,000-€25,000 based on time commitment criteria

Company Appointments to Investee Company Boards

In addition to their roles on the Company's Board, Dr Jean-Michel Cosséry and Rudy Mareel took on additional responsibilities by way of their appointments to the boards of three of Malin's investee companies. To reflect their increased time commitment and workloads, the Board determined that both Directors would be eligible to receive additional fees, of between €10,000 and up to a maximum of €25,000 per board per annum, payable in addition to the fees relating to the Company Board and Committee membership. The final fee level is based on the Board's determination of the time commitment involved for the relevant period and is detailed in the Annual Report for each year.

Dr Jean-Michel Cosséry was a Malin-appointed director on the boards of Kymab Group Limited and Immunocore Limited throughout 2020 and received fees from Malin of €50,000 in total in respect of those roles. Rudy Mareel was a Malin-appointed director on the board of Altan Pharma Limited throughout 2020 and during the year received fees of €20,000 in respect of that role.

Letters of Appointment

Each of the Non-Executive Directors has been appointed pursuant to the terms of a Non-Executive Appointment Letter. Each appointment is for an initial term of three years, is subject to election by the Company's shareholders at the first AGM following appointment and to re-election at any subsequent AGM at which either the Constitution of the Company requires, or the Board of the Company resolves, that the Non-Executive Director stand for re-election. Liam Daniel, Dr Jean-Michel Cosséry and Rudy Mareel offered themselves for re-election at Malin's 2020 AGM and were duly re-elected.

Having been appointed to the Board on 24 March 2020, Luke Corning, Dr Kirsten Drejer and Darragh Lyons were required under the Constitution of the Company to offer themselves for election at the 2020 AGM and were duly elected. It is anticipated that all Directors will offer themselves for re-election at the 2021 AGM.

Non-Executive Directors are typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period. Having served two three-year terms, in Q1 2021, Liam Daniel was invited by the Board to serve for an additional period. Non-Executive Directors are not entitled to any compensation in the event of loss of office.

Remuneration Committee Report

continued

Director Remuneration for 2020

The following table summarises the remuneration received by the Directors of the Company in respect of their roles for the year ended 31 December 2020:

	Base Salary/ Fees (1) €'000	Pension (2) €'000	Benefits (3) €'000	Cash Bonus (4) €'000	Other (5) €'000	Total €'000
Chair						
Liam Daniel	125	-	-	-	-	125
Non-Executive Directors						
Luke Corning*	-	-	-	-	-	-
Dr Jean-Michel Cosséry	68	-	-	-	50	118
Dr Kirsten Drejer**	41	-	-	-	-	41
Rudy Mareel	85	-	-	-	20	105
Executive Director/Chief Executive Officer						
Darragh Lyons***	283	29	7	303	-	622
Total	602	29	7	303	70	1,011

* Appointed to the Board on 24 March 2020. Mr Corning has waived his entitlement to remuneration in respect of his Malin directorship in light of the economic interest held by this employer, Pentwater, in the Company.

** Appointed to the Board on 24 March 2020.

*** Appointed to the Board on 24 March 2020. The figures above reflects the total remuneration paid to Darragh Lyons by the Group in respect of the full year ended 31 December 2020.

- (1) Fees for Non-Executive Directors comprises total fees in respect of their roles as Directors on the Board and Committees of the Company in 2020.
- (2) Pension represents Company contributions to the Company's defined contribution pension scheme or an individual's approved personal pension plan.
- (3) Benefits comprise a contribution towards the cost of health insurance and benefits under the Company's group risk schemes including death-in-service cover and long-term disability cover.
- (4) Cash bonus represents the value of the bonus awarded in respect of 2020 under the Company's Annual Cash Bonus Plan. It also includes a bonus of €98,000 in respect of 2019 that was payable if Darragh Lyons continued in service throughout 2020.
- (5) Dr Jean-Michel Cosséry received total fees of €50,000 from Malin in respect of his roles as a Malin-appointed director to Kymab Group Limited and Immunocore Limited. Rudy Mareel received €20,000 from the Company in respect of his role as a Malin-appointed director to Altan Pharma Limited.

LTIP Awards – Directors and Senior Management

Upon her appointment to the Board, Dr Kirsten Drejer was awarded 25,000 RSUs which are not subject to performance criteria and will vest on the earlier of ten years from the date of grant; or 90 days after Dr Drejer ceases to be a Director of the Company.

There were no awards made to any other Director or employee during 2020 under the 2015 LTIP.

RSUs held by Darragh Lyons and Company Secretary Fiona Dunlevy will be subject to performance testing on 12 May 2021 (i.e. three years after grant), at which point they will vest or lapse.

Directors' and Company Secretary's Share Interests

	Shares beneficially owned as at 1 January 2020	Unvested RSUs under 2015 LTIP as at 1 January 2020	Shares beneficially owned as at 31 December 2020	Unvested RSUs under 2015 LTIP as at 31 December 2020	Shares beneficially owned as at 22 March 2021	Unvested RSUs under 2015 LTIP as at 22 March 2021
Directors						
Liam Daniel	10,000	35,000	10,000	35,000	10,000	35,000
Luke Corning	-	-	-	-	-	-
Dr Jean-Michel Cosséry	-	25,000	-	25,000	-	25,000
Dr Kirsten Drejer	-	-	-	25,000	-	25,000
Darragh Lyons	54,176	65,250	54,176	65,250	54,176	65,250
Rudy Mareel	-	25,000	-	25,000	-	25,000
Company Secretary						
Fiona Dunlevy	36,898	22,000	40,398	22,000	40,398	22,000

Nominations and Governance Committee Report



Dear Shareholder,

On behalf of the Board, I am pleased to present to you the report of the Nominations and Governance Committee of Malin Corporation plc for the year ended 31 December 2020.

Overview

The Nominations and Governance Committee (the “Committee”) comprises two Independent Non-Executive Directors. The Nominations and Governance Committee operates in accordance with its Terms of Reference as adopted by the Board and which are available on the Company’s website.

Activities in 2020

The Committee is focused on ensuring that the Board and Committees comprise of individuals with the necessary skills and expertise to govern the Company effectively and to ensure a stable and efficient governance framework appropriate to the size and stage of development of the Company.

Having previously acknowledged that the composition of the Board and Committees would be further enhanced by the introduction of additional skills, diversity and experience, the Committee dedicated significant time and resources to identifying individuals who held these characteristics and whom we believed would add to the quality of the Board’s decision-making and governance processes. We were therefore delighted to welcome Luke Corning and Dr Kirsten Drejer as Non-Executive Directors and Darragh Lyons as an Executive Director in March 2020.

Furthermore, the Committee made recommendations to the Board with regard to the composition of its Committees in 2020, resulting in the appointment of Luke Corning to the Audit Committee and Dr Kirsten Drejer to the Remuneration Committee. The Committee believes that the experience and complementary skillsets which Mr Corning and Dr Drejer bring to these Committees serves to further enhance the quality of their decision-making processes. Following these appointments, the Committee is satisfied that those Committees are appropriately resourced to carry out their duties effectively taking into account the overall size of the Board and the Company.

In addition, the Committee oversaw an internal evaluation of the Board and its Committees. Further details on the Board evaluation process are outlined on page 51. The outcomes of the evaluation process have been positive overall, demonstrating that under their current compositions the Board and Committees are operating effectively, and each Director is contributing to the overall effectiveness of the Company’s governance structures.

Rudy Mareel

Chair, Nominations and Governance Committee

22 March 2021

Principal Responsibilities

The principal responsibilities of the Nominations and Governance Committee as outlined in its Terms of Reference include the following:

- Review of the structure, size and composition of the Board and recommendation to the Board with regard to any changes
- Assessment of the effectiveness and performance of the Board and each of its Committees including the balance of skills, experience, independence and knowledge
- Succession planning for Directors and senior management of the Company
- Identification and nomination to the Board for approval of candidates to fill Board vacancies as and when they arise
- Conducting evaluations of the Chair of the Board and the CEO
- Keeping under review the provisions of the Code of Conduct and Conflicts of Interest Policy and ensuring they are in line with industry best practice
- Ensuring compliance with the principles and provisions of the Company's Code of Conduct and Conflicts of Interest Policy
- Identifying any conflicts of interest (including potential conflicts of interest) and recommending appropriate remedial action to be taken by the Board
- Evaluating whether or not the performance thresholds of the A Ordinary Shares in the Company have been achieved by the Company

Additions to the Board

The Committee is committed to ensuring the Board comprises individuals with the necessary skills and experience to effectively govern the Company and to represent the views of shareholders. Working with an independent third-party consultant, the Committee conducted a process to identify potential new additions to the Board in late 2019 and taking into account feedback from the Board and shareholders, the Committee prepared a detailed description of the roles as well as the skills and attributes required. Following an interview and diligence process, which included an independent review by the Company's Euronext Growth Adviser, Luke Corning, Dr Kirsten Drejer and Darragh Lyons were appointed to the Board on 24 March 2020.

Committee Composition

Following the appointment of Luke Corning and Dr Kirsten Drejer to the Board, the Committee undertook a review of Committee composition and made recommendations to the Board. Mr Corning was subsequently appointed to the Audit Committee and Dr Drejer was appointed to the Remuneration

Committee. The Committee is satisfied that each Committee is comprised of members with the requisite skills and attributes necessary to fulfil their roles as committee members and that each committee is functioning effectively.

Board Evaluation Process

In Q4 2020, the Nominations and Governance Committee conducted an internal evaluation of the Board. As part of this process, the Lead Independent Director spoke with each Director individually to discuss Board effectiveness and composition. The process is set out below:

- A detailed questionnaire was completed by each Director, assessing the effectiveness of the Board, Committees and individual directors
- The areas covered in the questionnaire included board composition and organisation, strategic input, risk management and stakeholder engagement
- The individual responses were compiled by the Company Secretary and a report was prepared by the Lead Independent Director
- The findings were presented to the Nominations and Governance Committee and, following its review, to the Board.

The overall results of the Board evaluation were very positive, and the key findings and recommendations are set out below:

- Frequency of Board meetings, quality of materials provided to Board and openness of Board discussions all found to be extremely satisfactory
- Flow of communication between Directors and senior management is strong
- Clear understanding of and cohesive approach to actions required to deliver upon the Company's strategy
- Terms of Reference of Committees to be reviewed in context of size and stage of development of Company
- Importance of ongoing review of the future strategy and structure of Malin taking into account investee company developments
- Simplify and clarify performance review of senior management ensuring objectives are clear and align to variable remuneration

Nominations and Governance Committee membership and attendance at meetings in 2020

Members	2020 meetings
Rudy Mareel (Chair)	2/2
Dr Jean-Michel Cosséry	2/2

Directors' Report

The Directors present the Directors' report and the consolidated financial statements of Malin Corporation plc and its subsidiary companies for the year ended 31 December 2020.

Accounting Records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at its registered office: The Lennox Building, 50 Richmond Street South, Dublin 2, D02 FK02, Ireland.

Dividends

There were no dividends paid or proposed by the Company during 2020.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company, and the Group as a whole, has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. In making this assessment, the Directors have taken into account the Company's year-end cash position, twelve-month projected cash flows and considered that further inflows may occur during 2021. The impact of COVID-19 is not expected to impact Malin's near-term cash requirements.

Directors' Statement on Relevant Audit Information

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that: (i) so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and (ii) that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the Group and Company financial statements in accordance with applicable law and regulations. As required by the Euronext Growth Market Rules, they are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU. The Directors have elected to prepare the Company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and in accordance with the Companies Act 2014.

Under the Companies Act 2014, the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and the Company and of the Group's profit or loss for that year. In preparing each of the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Assess the Group's and Company's ability to continue as a going concern, and disclose as applicable, matters related to going concern

- Use the going concern basis of accounting unless they either intend to liquidate the Group or Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the assets, liabilities, financial position of the Group and Company and the profit and loss of the Group, which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsibility for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, www.malinplc.com. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined in section 225 of the Companies Act 2014 (the "Relevant Obligations"). The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of compliance by the Company with its Relevant Obligations. The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations including reliance on the advice of qualified accounting, legal and tax professionals employed by Malin and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during 2020.

Auditor

The auditor, KPMG, Chartered Accountants, was appointed to the Company in 2015 in accordance with Section 384 of the Companies Act 2014 and, in accordance with Section

383(2) of the Companies Act 2014, will continue in office in 2021. A resolution authorising the Directors to fix the auditor remuneration will be proposed at the Company's 2021 AGM.

Substantial Holdings

The issued share capital of the Company as at 22 March 2021 consisted of 45,945,888 Ordinary Shares (31 December 2020: 45,945,888 Ordinary Shares) and 3,279,299 A Ordinary Shares (31 December 2020: 3,279,299 A Ordinary Shares). Each Ordinary Share has a nominal value of €0.001. All Ordinary Shares have equal voting and dividend rights. All shareholdings in excess of 3% of the issued share capital of the Company as at 22 March 2021, insofar as the Company has been notified, are set out in the table below:

Name	% of Issued Share Capital
Reedy Creek Investments LLC	11.71%
UK Pension Protection Fund	11.01%
Ireland Strategic Investment Fund	10.88%
UBS Investment Bank, UBS Group AG	9.43%*
Credit Suisse Group AG	9.03%*
Citigroup Global Markets Limited	6.53%*
Peter Löscher	4.73%

* Pentwater Capital Management LP has a 27.1% economic interest in Malin, held through various counterparties, including these.

At 22 March 2021, 3,279,299 A Ordinary Shares are held by the Brandon Point Industries Group ("the BPI Group") and its shareholders, having been originally issued prior to the Company's admission to the Euronext Growth Market of Euronext Dublin in 2015. The A Ordinary Shares are convertible to Ordinary Shares upon the achievement by the Company of performance thresholds as set out in the notes to the financial statements on page 95 or on a change of control.

Except as disclosed above, the Company is not aware of and has not received any notification from any institution or person confirming that such institution or person is interested, directly or indirectly, in 3% or more of the issued share capital of the Company, nor is it aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

Political Donations

The Company did not make any donations disclosable under the Electoral Act 1997 during 2020.

Directors' Report

continued

Other Information

Other information relevant to the Directors' Report may be found in the following sections of the annual report:

Information	Location in Annual Report
Board of Directors	– Pages 32 to 33
Principal activities, business review and likely future developments	Chair's Letter; Chief Executive's Report; Financial Review and Business Strategy – Pages 9 to 17
Principal Risks and Uncertainties	Risk Management – Pages 24 to 28
Results	Financial Statements – Pages 56 to 118
Corporate Governance	Nominations and Governance Committee Report – Pages 50 to 51
Directors' Remuneration	Remuneration Committee Report – Pages 42 to 49
Interests of the Directors and Company Secretary in the share capital of the Company	Remuneration Committee Report – Page 49
Subsidiaries	Financial Statements – Page 110
Events after the Balance Sheet Date	Financial Statements – Page 109

On behalf of the Board:



Liam Daniel

Chair

22 March 2021



Darragh Lyons

Chief Executive Officer

Financial Statements

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Independent auditor's report to the members of Malin Corporation plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Malin Corporation plc ("the Company") and its consolidated undertakings ("the Group") for the year ended 31 December 2020 set out on pages 61 to 118, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statements of financial position, the consolidated and Company statements of changes in equity, the consolidated statement of cash flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the financial statements* section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ("IAASA"), as applied to listed entities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. We considered the Group's available financing and maturity profile to assess liquidity through the going concern assessment period.

There were no risks identified that we considered were likely to have a material adverse effect on the Group's and Company's available financial resources over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2019):

1. Carrying value of goodwill and other intangible assets €29.1 million (2019: €34.3 million)

Refer to page 73 (accounting policy) and pages 87 to 89 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The group has significant goodwill and intangible assets arising from acquisitions. There is a risk that the carrying values of goodwill and intangible assets in the Group financial statements, will be greater than the estimated recoverable amount. The recoverable amount of goodwill is arrived at by forecasting and discounting future cash flows to determine value in use for each cash generating unit (CGU). These cash flows are inherently judgemental and rely on significant assumptions including future trading performance, future growth rate, terminal growth rate and discount rate.	Our audit procedures included, amongst others: • Obtaining and documenting our understanding of the goodwill and other intangible assets assessment process; • Assessing the Group's cash flow forecast model calculations by updating our understanding of the model that support the carrying value of goodwill and intangible assets; • Considering the significant assumptions of the cash flow forecast used in the determination of the values in use for each CGU, and comparing them where possible to external data; • Testing the mathematical accuracy of the financial model; • Performing sensitivity analysis on the significant assumptions in the model; and • Challenging the key assumptions of the models, by comparing them against our own expectations, based on our knowledge of the subsidiaries and experience of the industry in which they operate. The Group determined no impairment was required, we found that this judgment was appropriate and supported by reasonable assumptions. We did not identify any material misstatements and we found the related disclosures to be appropriate.

Independent auditor's report to the members of Malin Corporation plc continued

2. Valuation of investments in associates €14.8 million (2019: €47.5 million) and financial assets held at fair value €265.7 million (2019: €110.0 million) and investments in subsidiaries of Malin Corporation plc of €188.1 million (2019: €186.9 million)

Refer to pages 70 to 71, and page 115 (accounting policies) and pages 82 to 87, and page 116 (financial disclosures)

The key audit matter

How the matter was addressed in our audit

The group has a number of investments that it accounts for as equity-accounted investees and as financial assets held at fair value.

There is a risk relating to the valuation of these investments given the judgemental nature of some of the inputs used in the valuation techniques to assess for impairment indicators for equity-accounted investees and to determine fair value for financial assets held at fair value.

There is a risk that the carrying value of investments in subsidiaries in the Malin Corporation plc company financial statements will be greater than the estimated recoverable amount.

Our audit procedures included, amongst others:

- Obtaining and documenting our understanding of the investment valuation and impairment assessment process and testing the design of the relevant controls therein;
- Assessing the Group's valuation models against the criteria in IFRS 13 *Fair Value Measurement*;
- Evaluating the significant assumptions in the valuation models, and comparing them where possible to external data;
- Testing the mathematical accuracy of the financial models;
- Involving our valuation specialist to assist in assessing the valuation techniques applied in valuing the Group's unlisted securities;
- Performing sensitivity analysis on the significant assumptions in the models;
- Challenging the significant assumptions of the models, by comparing against our own expectations, based on our knowledge of the investments and experience of the industry in which they operate; and
- Assessing the impact of changes in the valuation of these assets on the carrying value of investments in the Malin Corporation plc company statement of financial position.

Overall, we found the significant assumptions used in, and the resulting estimates of investee valuation to be appropriate. We did not identify any material misstatements and we found the disclosures in respect of the Group's investments in associates, financial assets held at fair value and investments in subsidiaries to be appropriate.

Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at €3.6 million (2019: €2.6 million). This has been calculated with reference to a benchmark of Group total assets. Materiality represents approximately 1% of the benchmark, which we consider to be one of the principal financial benchmarks relevant to members of the Company in assessing financial performance of the Group (2019: approximately 1% of Group total assets).

The materiality for the Company financial statements as a whole was set at €3.6 million (2019: €2.6 million). This has been calculated with reference to a benchmark of Company total assets, of which it represents 0.8% (2019: 0.6%).

The audit misstatement reporting threshold was set as €0.18 million for the Group and Company financial statements (2019: €0.13 million).

Tailoring our scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. We applied materiality to assist us determine what risks were significant risks and the procedures to be performed. Taken together, this enables us to form an opinion on the Group financial statements.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 3 components (2019: 2) of the Group's 10 components (2019: 11).

Of the 3 components selected, full scope audits were performed for 3 components (2019: 2) and no component (2019: Nil) was subjected to the audit of one or more account balances. The 3 components selected represent 100% of the total revenue and 99% of the total assets of the Group.

The Group team instructed the component auditor of Altan Pharmaceutical SAU, the principal reporting component, as to the significant areas to be covered and the information to be reported back. The Group audit team approved the materiality for the audit work to be performed at the component as €1 million. The Group team held discussions with the component to undertake an assessment of audit risk, audit strategy, and to discuss in detail the findings reported to the Group team. Any further work deemed to be required by the Group team was then performed by the component auditor.

The Group team performed the audit of the Group head operations component, including the audit of the parent company along with the audit of the other in-scope component.

Of the remaining components, the Group team determined that none of these components are individually significant. We performed other procedures, including analytical review, testing of consolidation journals, intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the entire Strategic Report and Governance sections. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Directors' responsibilities

As explained more fully in their statement set out on page 52 to page 54, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Malin Corporation plc continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

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

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Eamon Dillon

22 March 2021

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St Stephen's Green

Dublin 2

Consolidated income statement

for the year ended 31 December 2020

	Notes	2020 €'m	2019 €'m
Revenue	4	41.0	34.9
Cost of sales	6	(30.8)	(27.4)
Gross profit		10.2	7.5
Research and development costs	6	(6.6)	(2.7)
Selling, general and administrative expenses	6	(12.5)	(22.0)
Operating loss		(8.9)	(17.2)
Share of losses attributable to associates	11	(13.5)	(24.4)
Net gain on change in equity ownership of associates	11	15.8	24.9
Gain on disposal of associate	11	-	5.0
Fair value movement on reclassification to financial assets at FVTOCI	12	97.8	5.5
Loss on disposal of subsidiary		-	(0.1)
Non-operating income		3.5	3.0
Fair value movements on derivative assets and liabilities		-	0.1
Finance income	9	0.3	0.4
Finance expense	9	(4.0)	(3.7)
Profit/(loss) before tax		91.0	(6.5)
Income tax (expense)/benefit	10	(3.7)	1.3
Profit/(loss) after tax for the year		87.3	(5.2)
Equity holders of the parent		87.7	(5.4)
Non-controlling interest	27	(0.4)	0.2
Basic earnings/(loss) per share attributable to owners of the parent (euro per share)	23	€1.91	(€0.12)
Diluted earnings/(loss) per share attributable to owners of the parent (euro per share)	23	€1.89	(€0.12)

Consolidated statement of comprehensive income

for the year ended 31 December 2020

	Notes	2020 €'m	2019 €'m
Profit/(loss) after tax for the year		87.3	(5.2)
Other comprehensive income ("OCI"):			
<i>Items that may be reclassified subsequently to the income statement</i>			
Foreign currency translation differences - subsidiaries		0.1	(0.3)
Poseida & Artizan Transactions (2019: Immunocore Transaction): reclassification of previously recognised foreign currency translation of investment in associate	12	(0.5)	15.5
Foreign currency translation differences - associates	11	(1.4)	1.0
Recycle of accumulated OCI (foreign currency translation) on disposed investment in associate		-	(0.2)
Financial assets at FVTOCI – foreign currency translation	12	(2.9)	0.5
<i>Items that will not be reclassified subsequently to the income statement</i>			
Financial assets at FVTOCI – foreign currency translation	12	(17.9)	0.7
Financial assets at FVTOCI – fair value movement	12	44.8	(5.8)
Other comprehensive income for the year		22.2	11.4
Total comprehensive income for the year		109.5	6.2
Attributable to:			
Equity holders of the parent		109.4	6.1
Non-controlling interest	27	0.1	0.1

Consolidated statement of financial position

as at 31 December 2020

	Notes	2020 €'m	2019 €'m
Assets			
<i>Non-current assets</i>			
Investments in associates	11	14.8	47.5
Financial assets at FVTOCI	12	265.7	110.0
Goodwill and other intangible assets	13	29.1	34.3
Property, plant and equipment	14	10.3	11.1
Deferred tax asset	10	1.4	2.2
Other non-current assets	16	1.0	2.5
Total non-current assets		322.3	207.6
<i>Current assets</i>			
Inventories	15	12.1	11.0
Trade and other receivables	16	7.7	5.0
Cash and cash equivalents (including restricted cash)	17	28.2	47.5
Current tax asset		0.3	0.7
Total current assets		48.3	64.2
Total assets		370.6	271.8
Liabilities			
<i>Non-current liabilities</i>			
Loans and borrowings	19	42.2	55.1
Deferred tax liability	10	7.5	4.6
Other non-current liabilities	20	4.9	4.4
Total non-current liabilities		54.6	64.1
<i>Current liabilities</i>			
Loans and borrowings	19	13.7	13.7
Trade and other payables	18	12.1	14.6
Current income tax liabilities		0.1	0.3
Total current liabilities		25.9	28.6
Total liabilities		80.5	92.7
Equity			
Share capital	21	-	-
Share premium		112.9	110.8
Other reserves	22	34.3	14.2
Retained earnings		132.6	43.9
Equity attributable to owners of parent		279.8	168.9
Non-controlling interests	27	10.3	10.2
Total equity		290.1	179.1
Total liabilities and equity		370.6	271.8

On behalf of the Board:



Liam Daniel

Chair

22 March 2021



Darragh Lyons

Chief Executive Officer

Consolidated statement of changes in equity

as at 31 December 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 year	-	-	-	87.7	87.7	(0.4)	87.3
Other comprehensive income	-	-	21.7	-	21.7	0.5	22.2
Total comprehensive income for the year	-	-	21.7	87.7	109.4	0.1	109.5
Reclassification of fair value loss 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	-	-	1.5	-	1.5	-	1.5
Share-based compensation – lapsed RSUs and LTBP	-	-	(6.1)	6.1	-	-	-
Transactions with NCI	-	-	-	-	-	-	-
Total transactions with shareholders	-	2.1	(1.6)	1.0	1.5	-	1.5
At 31 December 2020	-	112.9	34.3	132.6	279.8	10.3	290.1

Consolidated statement of changes in equity

as at 31 December 2019

	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/(loss):							
Gain/(loss) for the year	-	-	-	(5.4)	(5.4)	0.2	(5.2)
Other comprehensive income/(loss)	-	-	11.5	-	11.5	(0.1)	11.4
Total comprehensive income/ (loss) for the year	-	-	11.5	(5.4)	6.1	0.1	6.2
Reclassification of fair value movements on disposal of financial assets at FVTOCI	-	-	17.7	(17.7)	-	-	-
Share-based compensation - issue of shares	-	0.7	(0.7)	-	-	-	-
Share-based compensation – expense	-	-	2.5	-	2.5	-	2.5
Share-based compensation – cancelled RSUs and settlement agreement	-	-	(1.3)	1.3	-	-	-
Transactions with NCI	-	-	(0.2)	-	(0.2)	0.2	-
Total transactions with shareholders	-	0.7	18.0	(16.4)	2.3	0.2	2.5
At 31 December 2019	-	110.8	14.2	43.9	168.9	10.2	179.1

Consolidated statement of cash flows

for the year ended 31 December 2020

	Notes	2020 €'m	2019 €'m
Cash flows from operating activities			
Profit/(loss) for the year		87.3	(5.2)
<i>Adjustments for:</i>			
Amortisation of intangible assets	13	3.9	3.5
Impairment of intangible assets	13	3.0	-
Depreciation of property, plant and equipment	14	1.5	1.6
Inventory provisions		0.1	-
Gain on disposal of investment in associate	11	-	(5.0)
Gain on disposal/derecognition of subsidiary and recognition of financial asset at FVTOCI		-	0.1
Net gain on investments in associates	11	(2.3)	(0.5)
Fair value movement on reclassification to financial assets at FVTOCI	12	(97.8)	(5.5)
Share-based payments	24	1.5	2.5
2019 LTARGP charge	20	1.0	3.7
Net finance costs	9	3.7	3.3
Derivative fair value movements		-	(0.1)
Tax expense/(benefit)	10	3.7	(1.3)
		5.6	(2.9)
Increase in inventory		(1.2)	(1.0)
(Increase)/decrease in trade and other receivables		(1.6)	2.4
(Decrease)/increase in trade and other payables		(3.0)	0.3
Income tax paid		(0.1)	(0.1)
Interest and finance expenses paid		(2.7)	(2.8)
Net cash used in operating activities		(3.0)	(4.1)
Cash flows from investing activities			
Derecognition of subsidiary		-	(0.2)
Proceeds from sale of subsidiary		-	0.2
Proceeds from disposal of financial assets at FVTOCI	12	1.5	1.3
Purchase of financial assets at FVTOCI	12	(2.3)	(2.8)
Proceeds from distributions from investment in associate		-	0.7
Proceeds from disposal of investment in associate		-	15.0
Purchase of investments in associates		-	(3.5)
Purchase of intangible assets	13	(1.7)	(1.8)
Purchase of property, plant and equipment	14	(0.4)	(1.0)
Loans repaid by/extended to investee companies		-	0.5
Decrease/(increase) in restricted cash balances		7.0	(14.7)
Net cash from/used in investing activities		4.1	(6.3)
Cash flows from financing activities			
Repayment of loans and borrowings		(13.5)	(4.8)
Proceeds from drawdown of loans and borrowings		0.5	0.7
Payment of lease liabilities		(0.5)	(0.6)
Net cash used in financing activities		(13.5)	(4.7)
Net decrease in cash and cash equivalents		(12.4)	(15.1)
Cash and cash equivalents at beginning of year		28.2	43.3
Exchange losses on cash and cash equivalents		0.1	-
Cash and cash equivalents at end of year		15.9	28.2
Add restricted cash	17	12.3	19.3
Cash and cash equivalents at end of year including restricted cash		28.2	47.5

The accompanying notes form an integral part of these financial statements (for reclassifications, see note 17).

Notes to the consolidated financial statements

for the year ended 31 December 2020

Notes to the consolidated financial statements

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 audited consolidated financial statements (the "financial statements") include the financial statements of the Company and all of its subsidiary undertakings (together referred to as "the Group" or "Malin"). These financial statements have been prepared in accordance with European Union ("EU") adopted International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and the Companies Act 2014.

The individual financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2014. A separate Company statement of comprehensive income is not presented in these financial statements as the Company has availed of the exemption provided by Section 304 of the Companies Act 2014. The loss attributable to shareholders dealt with in the financial statements of the Company for the year to 31 December 2020 was €2.9 million (2019: €4.0 million).

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

The preparation of the 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 financial statements, the critical judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty have been described in note 3 of the financial statements.

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 31 December 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"), had outstanding debt of €45.0 million with the European Investment Bank ("EIB") at 31 December 2020. The debt is repayable on a tranching basis from drawdown following a four-year interest-only period. MLSHL agreed an amendment with the EIB in January 2021 to give the Group further capital flexibility by deferring the scheduled 2021 principal repayments of €10.0 million to 2022. Altan Pharma Limited ("Altan"), a subsidiary of the Group, also has a loan balance with a carrying value of €10.9 million at 31 December 2020.

At 31 December 2020, Malin's consolidated cash and cash equivalents balance was €28.2 million which includes cash and cash equivalent balances of €4.9 million held by its investee subsidiary companies and €23.3 million held by Malin and Malin's corporate subsidiaries (including restricted cash). Subsequent to the year end, both Kymab Group Limited ("Kymab") and Immunocore Limited ("Immunocore") achieved significant operational milestones which should strengthen Malin's liquid resources.

1. General information and basis of preparation (continued)

Investee company developments subsequent to year end

On 11 January 2021, Kymab entered into a definitive agreement with Sanofi pursuant to which Sanofi will acquire 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 owns approximately 10% of the issued share capital of Kymab and the sale of Kymab is expected to deliver initial net proceeds to Malin of approximately \$112 million, with the potential to receive up to a further \$33 million on the achievement of certain milestones. The closing of the transaction, which is subject to antitrust and other customary conditions, is expected in the second quarter of 2021.

On 5 February 2021, Immunocore completed an initial public offering on Nasdaq at an IPO price of \$26.00 per share with a concurrent private placement, raising \$312 million. Following the fundraising and completion of the IPO, Malin holds approximately 5% of the company's issued share capital. At 19 March 2021, Immunocore's share price had increased to \$43.43 per share, implying a fair value of Malin's investment in Immunocore of \$102.5 million on this date.

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 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 consolidated financial statements for the twelve month period ended 31 December 2020.

2. Significant accounting policies

New standards

The following new and amended standards and interpretations were effective for the Group for the first time for the financial year beginning 1 January 2020 as follows:

Effective date	New / revised International Financial Reporting Standards
1 January 2020	Amendments to References to Conceptual Framework in IFRS Standards
1 January 2020	Definition of a Business (Amendments to IFRS 3)
1 January 2020	Definition of Material (Amendments to IAS 1 and IAS 8)
1 January 2020	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The aforementioned did not have a material impact on the Group.

One amendment to a standard is not yet effective for the year and has not yet been applied in preparing the financial statements:

Effective date	New / revised International Financial Reporting Standards
1 June 2020	COVID-19-Related Rent Concessions (Amendment to IFRS 16)

Notes to the consolidated financial statements (continued)

2. Significant accounting policies (continued)

A number of amendments and interpretations are not yet effective for the year 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 the new standards, interpretations and amendments to published standards. Management expects no material impact on the Group's financial statements on adoption of these standards and amendments.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries and the Group's interests in associates for the year ended 31 December 2020.

Subsidiaries

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

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

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

In a business combination, NCI is measured at its proportionate share of the recognised amount of the subsidiary's identifiable net assets at the acquisition date. NCI is allocated its share of profit or loss and its share of each component of other comprehensive income and other reserves included in equity, post-acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity in relation to that subsidiary. Any resulting gain or loss is recognised in profit or loss and any interest retained in the entity is measured at fair value on the date when control was lost.

Transactions eliminated on consolidation

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

Associates

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

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

2. Significant accounting policies (continued)

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

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

The cost of acquiring an additional stake in an associate (including any directly attributable costs), where there is no change to the influence Malin can exercise over the investee company, is added to the carrying value of the associate and goodwill arising on the purchase of the additional stake is calculated using fair value information at the date the additional interest is acquired.

Where Malin's stake in an associate is diluted but Malin maintains the ability to exercise significant influence, the disposal is accounted for as a partial disposal with a corresponding gain or loss recognised in the income statement. Where Malin is no longer able to exercise significant influence, the investment is reclassified to financial asset at fair value through other comprehensive income resulting in the derecognition of the carrying amount of the investment under the equity method of accounting and recognition of a fair value gain or loss in the income statement, of which some portion will represent the reclassification of the previously recognised foreign currency translation reserve.

Financial assets at FVTOCI

Financial assets at fair value through other comprehensive income ("FVTOCI") represent equity shareholdings in investee companies in which Malin does not have control, joint control or significant influence and therefore accounts for its investment in these companies as financial assets at FVTOCI.

Financial assets at FVTOCI are initially recognised at fair value plus transaction costs and are subsequently adjusted to fair value at each reporting date. Unrealised gains and losses arising from changes in these financial assets are recognised in other comprehensive income. Any gains or losses arising on de-recognition of such assets will remain in equity and will not be recycled to the income statement.

Financial assets at FVTPL

Financial assets at fair value through profit and loss ("FVTPL") contain an escrow receivable balance from a former investee company and debt instruments in an existing investee company in which Malin does not have control, joint control or significant influence and therefore accounts for its debt instruments in this company as a financial asset at FVTPL. As this debt instrument does not solely represent the payment of principal and interest, it is initially recognised at fair value plus transaction costs, with gains and losses arising from changes in its fair value and any interest or dividend income recognised in the income statement.

Malin has elected to present convertible loan notes alongside financial assets at FVTPL in both the current year and prior comparative periods.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer, it excludes amounts collected on behalf of third parties and is net of value added tax, rebates and discounts.

Notes to the consolidated financial statements (continued)

2. Significant accounting policies (continued)

Sale of goods

Revenue from the sale of pharmaceutical products is recognised at a point in time when the Group transfers control of a product or service to a customer, this generally arises on delivery or in accordance with specific terms and conditions agreed with individual customers. Sales returns and discounts are recorded in the same period as the original revenue as a reduction in revenue. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific products sold. The refund liability is included in trade and other payables.

Foreign currency translation

Transactions and balances

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

Group companies

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

Adjustments arising on translation of the results and net assets of non-euro subsidiaries and associates are recognised in a separate currency translation reserve within equity.

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

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

	Average year to 31 December 2020	Year end 31 December 2020	Average year to 31 December 2019	Year end 31 December 2019
Euro 1 =				
US Dollar	1.13	1.23	1.12	1.12
Pound Sterling	0.88	0.90	0.88	0.85

Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. A liability is recognised where an employee has provided service and an expense when the entity consumes the economic benefits of employee service. Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, including wages, salaries and bonuses but not termination benefits. The Group recognises bonus payments only when it has a legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the expected obligation can be made. The undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period is recognised in that period. Other long-term benefits are measured applying an actuarial valuation method and are discounted to their present value. The effects of remeasurements are recognised in the income statement.

2. Significant accounting policies (continued)

Goodwill

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

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

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

Goodwill is carried at the initial cost less accumulated impairment losses. Goodwill is not amortised and is tested annually for impairment by assessing the recoverable amount of the CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses arising in respect of goodwill are not reversed following recognition.

Intangible assets (other than goodwill)

Intangible assets include in-process research and development ("IPR&D") and customer lists acquired through business combinations, in addition to software and project development costs incurred by the Group, which are primarily comprised of Altan's capitalised development costs which have met the IAS 38 Intangible Assets recognition criteria and are amortised from the date on which the related product becomes commercially available.

Other intangible assets acquired in the course of a business combination are capitalised at cost, being the fair value as at the date of acquisition. Expenditure on research activities is recognised in the income statement as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, the expenditure is recognised in the income statement as incurred.

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

Intangible assets are amortised on a straight-line basis. In general, definite-lived intangible assets are amortised over periods ranging from 1 to 10 years, depending on the nature of the intangible asset.

	Annual rate
Acquired Customer lists	10%
Acquired IPR&D	10% - 20%
Other Intangibles	20%

Property, plant and equipment

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

	Annual rate
Buildings	3%
Plant and equipment	2%-25%

Notes to the consolidated financial statements (continued)

2. Significant accounting policies (continued)

Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each financial year end. Repairs and maintenance expenditure is charged to the income statement during the financial period in which it is incurred.

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

Inventories

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

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

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

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

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective to collect contractual cash flows and therefore measures trade receivables subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivable is impaired. The amount of any provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. Impairment losses arising in respect of trade receivables are recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, excluding restricted cash balances.

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

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 interest and principal payments scheduled for the following twelve months.

2. Significant accounting policies (continued)

Trade and other payables

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

Interest-bearing loans and borrowings liabilities

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

Income tax

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

Current tax

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

Deferred tax

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

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

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

Share capital

Issued Ordinary Shares and Issued A Ordinary Shares (together “Total Issued Share Capital”) are classified as equity. Incremental costs directly attributable to the issue of new Ordinary Shares on the admission to the Euronext Growth Market of Euronext Dublin in March 2015 (the “Admission”) are shown in the share premium reserve in equity as a deduction, net of tax, from the proceeds. Transaction costs associated with subsequent equity placings are deducted from retained earnings.

Share-based payments

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

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

Notes to the consolidated financial statements (continued)

3. Critical accounting estimates and judgments

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

(a) Critical accounting estimates and assumptions

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

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

(i) Fair value of financial instruments

Financial assets at FVTOCI

Financial assets are measured at FVTOCI. These instruments are fair valued at each reporting date.

Fair value movements in the year to 31 December 2020 are recognised in the statement of other comprehensive income as a movement through the FVTOCI reserve. Any gains or losses arising on de-recognition of such assets will remain in equity and will not be recycled to the income statement.

(ii) 2019 LTARGP – fair value of plan liability

In October 2019, Malin established a Long-term Asset Realisation and Growth Plan (the "2019 LTARGP") to align Malin's remuneration policies with its business strategy. Rewards under the 2019 LTARGP are capped and only become payable to participants following substantial shareholder value accretion and the completion of a 3.5-year service term. The plan provides for a cash bonus pool to be created only if the realised divestment proceeds, arising from the disposal of investee company interests between 1 July 2019 and 31 December 2022, exceed €512 million up to a maximum of €841 million. In this event, the cash bonus pool would be calculated as 9% of all divestment proceeds between €512 million and €662 million; and 12% of all divestment proceeds between €662 million and €841 million.

The plan provides for the above thresholds to be adjusted to take into account further investments by Malin in any of its existing investee companies. During 2020, Malin completed a secondary share purchase of Kymab shares equating to approximately 2% of the issued share capital for €2.3 million and the thresholds above have been adjusted accordingly.

3. Critical accounting estimates and judgments (continued)

The 2019 LTARGP is accounted for under IAS 19 Employee Benefits. Malin has recognised the fair value of the plan as an expense in the consolidated income statement, with a corresponding credit recorded as a plan liability on the consolidated balance sheet. The fair value of the plan is estimated at each reporting date, with the net adjustment being recorded in the consolidated income statement, and the liability adjusted accordingly.

The fair value of the 2019 LTARGP at 31 December 2020 was arrived at by applying a Monte Carlo simulation technique. Based on the Monte Carlo model, the cumulative fair value of the 2019 LTARGP awards was valued at €4.7 million at 31 December 2020 (2019: €3.7 million).

The key assumptions for the Monte Carlo model and Malin's determination of these at 31 December 2020 are set out below:

IPEV-compliant valuation of investee companies

The fair value estimate of Malin's investee companies was conducted in accordance with International Private Equity and Venture Capital ("IPEV") guidelines.

Expected life of the 2019 LTARGP

Eligible participants are required to remain in service from 1 July 2019 to 31 December 2022 (the "service term").

Volatility and correlation

The volatility rate was set at 92% (31 December 2019: 72%) and was derived from the historic average annualised volatility for constituents of three relevant public market indices.

The correlation coefficient was set at 22% (31 December 2019: 15%) and was derived from chosen constituents within these three indices.

Risk-free rate of interest

The risk-free interest rate was set as -0.8% (31 December 2019: -0.6%) and was derived from the ECB AAA Government yield curve for the expected life of the awards as at the valuation date.

(b) Critical judgments in applying the entity's accounting policies

(i) Accounting for investee companies

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

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

Notes to the consolidated financial statements (continued)

3. Critical accounting estimates and judgments (continued)

Malin has determined that it has significant influence over Viamet Pharmaceuticals Holdings, LLC ("Viamet") even though it has a shareholding of less than 20% of the equity of this company. Malin has appropriate proportionate representation on the board of Viamet to exercise significant influence over the financial and operational policies of the company. This representation, as well as certain contractual protective provisions, has resulted in Malin accounting for this company as an associate company using the equity method of accounting.

(ii) Assessing the carrying value of investments in associates and goodwill

Investment in associates

An impairment test is performed where there is an indication of impairment of an investee company. Indicators of impairment include but are not limited to; negative changes in technology or markets, significant delay in achieving or failure to attain appropriate regulatory approval, clinical trial failure or postponement, a significant fall in the market capitalisation of the investee company or if the carrying amount of the investee company in the financial statements is higher than the company's discounted future cash flows.

If there is an indication that an investee company asset may be impaired, then the asset's recoverable amount is calculated. The recoverable amount is the higher of the investee company's fair value less costs of disposal (net selling price) and its value-in-use (present value of future cash flows expected to be derived from the investee company). Given the nature of some of the Group's investments in early-stage and development companies, applying both the net selling price and value-in-use (present value of future cash flows expected to be derived from the investee company) approaches to estimating the recoverable amount of investee companies involves making significant estimates and judgments.

In applying the net selling price approach to estimating the recoverable amount of investee companies, Malin references the value of comparable public companies or market transactions to estimate the fair value of a privately held investee company. Significant judgment is required in assessing the comparability of the market transactions and/or public company to the Malin investee company being assessed. Management typically refers to more than one comparable transaction/company in applying this technique.

Where a value-in-use approach is used to assess the recoverable amount of the investee company, calculations use pre-tax cash flow projections based on financial budgets and projections. The cash flow forecasts exclude incremental profits and other cash flows derived from planned acquisition activities. Sales forecasts are extrapolated using growth rates based on similar companies' experiences. The value-in-use of each investee company is calculated using a pre-tax discount rate representing the Group's estimated pre-tax weighted average cost of capital, adjusted to reflect risks associated with each investee company.

In applying the value-in-use approach, where there are often no current and no short-term future earnings or positive cash flows for our investee companies, significant estimation is required to gauge the probability and financial impact of the successes or failures of development or research activities and to make reliable cash flow forecasts. In making the cash flow forecasts, significant estimates and judgments are required in determining the commercial prospects for the approved drug including the peak sales, market share and pricing that it can achieve, and the time and costs involved in doing so.

Management recognises the significant judgments and subjectivity associated with the assumptions used to prepare a value-in-use calculation and seeks to ensure key assumptions are consistent with relevant external sources of information.

An impairment loss is recognised to the extent that an investee company's carrying amount exceeds its recoverable amount. An impairment loss is recognised as an expense in the income statement. Where the investee company's recoverable amount exceeds the carrying value, no impairment loss is recognised.

Malin will continue to actively assess the performance and position of its investee companies and review for future indicators of impairment.

3. Critical accounting estimates and judgments (continued)

Goodwill

Goodwill recognised on investee company subsidiary acquisitions is not tested for impairment separately as it does not generate cash flows independently of other assets. Goodwill is tested for impairment only when a CGU or group of CGUs to which goodwill has been allocated is being tested for impairment or as part of the annual mandatory impairment testing of goodwill (without there being an indication of impairment in the underlying CGUs).

4. Revenue

All of the Group's revenue in 2020 is attributable to Malin's investee subsidiary, Altan (2019: €33.7 million). Altan's revenue is derived from contracts with customers for the sale of pharmaceutical products, primarily the sale of generic injectable medications, to hospitals and other healthcare providers.

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

	2020 €'m	2019 €'m
Spain	19.4	17.6
EU (excluding Spain)	11.9	7.2
Rest of world	9.7	10.1
	41.0	34.9

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 primarily situated in Europe.

6. Cost of sales and operating expenses

The operating expenses that arose during the year to 31 December 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	-	-	3.2	3.2
Investee subsidiary companies	30.8	3.6	6.8	41.2
Investee subsidiary companies – Impairment of intangible assets	-	3.0	-	3.0
Founder Equity and Malin share-based payment charges (note 24)	-	-	1.5	1.5
2019 LTARGP fair value charge (note 20)	-	-	1.0	1.0
	30.8	6.6	12.5	49.9

1. Includes non-cash charges of €0.2 million.

Notes to the consolidated financial statements (continued)

6. Cost of sales and operating expenses (continued)

The operating expenses that arose during the year to 31 December 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 ¹	-	-	5.7	5.7
Malin corporate subsidiaries – restructuring and exceptional charges	-	-	3.2	3.2
Investee subsidiary companies	27.4	2.7	6.9	37.0
Founder Equity and Malin share-based payment charges	-	-	2.5	2.5
2019 LTARGP fair value charge	-	-	3.7	3.7
	27.4	2.7	22.0	52.1

1. Includes non-cash charges of €0.3 million.

7. Statutory and other information

	2020 €'m	2019 €'m
Amortisation and impairment of goodwill and intangible assets (note 13)	6.9	3.5
Depreciation and impairment of property, plant and equipment (note 14)	1.5	1.6
Auditor's remuneration		
Audit of Group and Company financial statements	0.3	0.3
Other assurance services	0.1	0.1
Tax advisory services	0.1	0.1
Other non-audit services	-	0.1
	0.5	0.6

Directors' remuneration for the year to 31 December 2020 was €1.0 million (2019: €0.4 million). Auditor's remuneration represents fees for services performed by the KPMG Network. KPMG Ireland earned €0.2 million in audit fees and €0.1 million in assurance and tax advisory services. Audit fees account for greater than 50% of the total fees incurred with the Company's auditor. Auditor's remuneration for the audit of the Company financial statements was €10,000 (2019: €10,000).

8. Employee costs

The average number of persons (full time equivalents) employed by the Group (including executive directors) during the year, analysed by category was:

	2020 average	2019 average
Cost of sales	212	168
Research and development	15	17
Selling, general and administrative	37	48
	264	233

8. Employee costs (continued)

The number of persons (full time equivalents) employed by the Group (including executive directors) at 31 December 2020 was 255 (31 December 2019: 250) and largely relates to Altan.

The employee benefit expenses for the year were:

	2020 €'m	2019 €'m
Wages and salaries (including severance costs)	9.4	10.2
Social welfare costs	2.3	2.4
Defined pension contribution costs	0.1	0.2
Share-based payments and 2019 LTARGP expense	2.3	5.4
	14.1	18.2

9. Net finance expense

	2020 €'m	2019 €'m
Finance income		
Interest income	0.3	0.1
Net foreign exchange gain	-	0.3
	0.3	0.4
Finance expense		
Interest expense	(3.4)	(3.3)
Net foreign exchange loss	(0.5)	(0.4)
Other	(0.1)	-
	(4.0)	(3.7)
Net finance expense	(3.7)	(3.3)

Of the interest expense, €2.8 million relates to Malin's debt facility with the EIB and Altan's term loan. Refer to note 19 for details of these borrowings.

10. Income tax

	2020 €'m	2019 €'m
Current tax expense	(0.1)	(0.4)
Deferred tax (expense)/benefit	(3.6)	1.7
Income tax (expense)/benefit	(3.7)	1.3

Notes to the consolidated financial statements (continued)

10. Income tax (continued)

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

	2020 €'m	2019 €'m
Profit/(loss) before tax	91.0	(6.5)
Tax at the Irish corporation tax rate of 12.5%	(11.4)	0.8
Income taxed at higher rates	(3.5)	0.7
Expenses not deductible for tax purposes	11.2	0.5
Unused tax losses for which no deferred tax asset is recognised (no expiry date)	(0.1)	(0.7)
Other	0.1	-
Income tax (expense)/benefit on net loss	(3.7)	1.3

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

The deferred tax expense mainly arises due to the recognition of a deferred tax liability for US tax payable in the future on investment realisations 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 31 December 2020 was €7.5 million (31 December 2019: €4.6 million) arising from deferred tax recognised on the acquisition of Altan in 2015 and deferred tax recognised on US tax payable in the future on investment realisations. The total deferred tax asset at 31 December 2020 was €1.4 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 other tax losses of the Group amounting to €72.3 million (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.

11. Investments in associates

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

	2020 €'m	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)
Poseida & Artizan Transactions (2019: Immunocore Transaction): reclassification to financial assets at FVTOCI	(33.6)	(32.9)
Share of net losses of investments in associates:		
Income statement – share of losses	(13.5)	(24.4)
Income statement – net gain on change in equity ownership of investments in associates	15.8	24.9
Other comprehensive income – foreign currency translation (loss)/gain	(1.4)	1.0
At 31 December	14.8	47.5

11. Investments in associates (continued)

Poseida

In July 2020, management determined that Malin no longer had the ability to exert significant influence over the financial and operating policy decisions of Poseida Therapeutics, Inc. ("Poseida"). This resulted from Poseida's public listing in July 2020 which resulted in a dilution of Malin's equity ownership and influence over the company.

Malin discontinued accounting for its investment in Poseida as an investment in associate in July 2020. The fair value estimate of Malin's investment in Poseida of €130.1 million was based on the company's IPO valuation on 10 July 2020. This reclassification from investment in associate to financial asset at FVTOCI resulted in the derecognition of the carrying amount of Poseida as an investment in associate of €33.6 million, the reclassification of previously recognised foreign currency translation reserves through other comprehensive income of €0.5 million and the recognition of a gain in Malin's consolidated income statement of €97.3 million. Following the company's IPO, Malin owns 15% of the issued share capital of Poseida.

Artizan

In December 2020, management determined that Malin no longer had the ability to exert significant influence over the financial and operating policy decisions of Artizan Biosciences, Inc. ("Artizan"). This resulted from Artizan's completion of a financing round, in which Malin did not participate, which caused a dilution of Malin's equity shareholding to 3%.

Malin discontinued accounting for its investment in Artizan as an investment in associate in December 2020. The fair value estimate of Malin's investment in Artizan was based on the company's financing round completed in December 2020. This reclassification from investment in associate to financial asset at FVTOCI resulted in the derecognition of the carrying amount of Artizan as an investment in associate and the recognition of a gain in Malin's consolidated income statement of €0.5 million.

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 consolidated financial statements (continued)

11. Investments in associates (continued)

	Poseida €'m	Viamet €'m	Other Associates ¹ €'m	Total €'m
Total comprehensive income/(loss) for year ended 31 December 2020:				
Loss for the year attributable to the Group	(13.0)	-	(0.5)	(13.5)
Gain/(loss) on changes in equity ownership of investments in associates ²	16.0	-	(0.2)	15.8
Other comprehensive loss for the year attributable to the Group ³	-	(1.3)	(0.1)	(1.4)
Total comprehensive income/(loss) for the year ended 31 December 2020	3.0	(1.3)	(0.8)	0.9
Statement of financial position as at 31 December 2020:				
Non-current assets	-	0.1	-	0.1
Current assets	-	0.2	-	0.2
Non-current liabilities	-	-	-	-
Current liabilities	-	-	-	-
Net assets at 31 December 2020	-	0.3	-	0.3
Malin's share of net assets	-	-	-	-
Malin's ownership interest at 31 December 2020 (rounded %)	-	15%		
Malin's interest in the investee at 1 January 2020	30.6	16.1	0.8	47.5
Poseida & Artizan Transactions: reclassification of investment in associate to financial assets at FVTOCI	(33.6)	-	-	(33.6)
Total comprehensive income/(loss) attributable to the Group	3.0	(1.3)	(0.8)	0.9
Carrying amount of investee at 31 December 2020⁴	-	14.8	-	14.8

1. Malin does not consider its equity method investments in 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 year and prior comparative period.

2. Represents a gain or loss arising on the re-measurement 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.

11. 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 2019⁴	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 year and prior comparative period.

2. Represents a gain or loss arising on the re-measurement 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 consolidated financial statements (continued)

12. Financial assets at FVTOCI

	2020 €'m	2019 €'m
At 1 January	110.0	59.2
Cash consideration for financial asset investments	2.3	2.8
Return of capital from financial asset investments	(1.5)	(1.3)
Poseida & Artizan Transactions (2019: Immunocore Transaction): reclassification from investment in associate	33.6	32.9
Poseida & Artizan Transactions (2019: Immunocore Transaction): fair value movements recognised in income statement	97.8	5.5
Poseida & Artizan Transactions (2019: Immunocore Transaction): fair value movement recognised in other comprehensive income (reclassification of cumulative foreign exchange differences)	(0.5)	15.5
Fair value movement recognised in other comprehensive income (including exchange differences)	24.0	(4.6)
At 31 December	265.7	110.0

The breakdown of the Group's financial assets at FVTOCI at 31 December 2020 is set out below:

	2020 €'m	2019 €'m
Unlisted securities:		
Immunocore	50.0	52.1
Kymab	89.5	27.5
Xenex	34.6	22.8
Others	9.5	5.9
Listed securities:		
Poseida	82.1	-
Novan	-	1.7
At 31 December	265.7	110.0

Foreign exchange differences

The total fair value gain of €24.0 million recognised in the year to 31 December 2020 includes approximately €20.8 million of foreign exchange losses primarily related to the weakening of the US Dollar.

Kymab

During the second half of 2020, Malin completed a secondary share purchase of Kymab shares equating to approximately 2% of the issued share capital for €2.3 million.

Artizan

In December 2020, Artizan was reclassified from an investment in associate to a financial asset at FVTOCI. This resulted in a net gain of €0.5 million in Malin's consolidated income statement (see note 11). The fair value of Malin's investment in Artizan was determined based on the company's latest financing round completed in December 2020.

12. Financial assets at FVTOCI (continued)

Listed securities

Malin initiated selling its interest in Novan during 2019 and during the first half of 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.

In July 2020, Poseida was reclassified from an investment in associate to a financial asset at FVTOCI. This resulted in a net gain of €97.3 million in Malin's consolidated income statement (see note 11). The fair value of Malin's investment in Poseida at this date was determined based on the company's IPO valuation on 10 July 2020.

13. 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	-	-	-	1.7	1.7
At 31 December 2020	24.2	26.9	11.8	14.8	77.7
Accumulated amortisation and impairment losses:					
At 1 January 2020	(13.6)	(12.1)	(11.8)	(4.2)	(41.7)
Charged during the year	-	(2.7)	-	(1.2)	(3.9)
Impairment	-	-	-	(3.0)	(3.0)
At 31 December 2020	(13.6)	(14.8)	(11.8)	(8.4)	(48.6)
Net book value: 31 December 2020	10.6	12.1	-	6.4	29.1
Net book value: 1 January 2020	10.6	14.8	-	8.9	34.3

Notes to the consolidated financial statements (continued)

13. Goodwill and other intangible assets (continued)

	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

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. Included in the Group's statement of financial position at 31 December 2020 is goodwill of €10.6 million (31 December 2019: €10.6 million).

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 CGU (being each subsidiary company) and comparing this to the carrying amount of the investee company. A number of key assumptions have been made as a basis for the impairment tests. In each case, these key assumptions have been made by management and are consistent with relevant external sources of information.

Where a value-in-use approach is used to assess the recoverable amount of the investee company, calculations use pre-tax cash flow projections based on financial budgets and projections. The cash flow forecasts exclude incremental profits and other cash flows derived from planned acquisition activities. Sales forecasts have been extrapolated using growth rates based on similar companies' experiences. The value-in-use of each asset is calculated using a pre-tax discount rate representing the Group's estimated pre-tax weighted average cost of capital, adjusted to reflect risks associated with each investee company.

The total intangible assets, excluding €0.2 million from Malin's corporate subsidiaries, relate to Altan. Management has determined that the recoverable amount of the goodwill, intangible assets and property, plant and equipment attributable to Altan is higher than the carrying amounts based on the risk-adjusted pre-tax cash flow projections of the business. In assessing the recoverable amount of the goodwill, management has considered the impact of the COVID-19 on elective surgery procedures during 2020.

The assumptions used for the value-in-use approach are detailed in the table below:

	Projection period	Growth rate	Terminal growth rate	Discount rate
31 December 2020	2025	1.75%	1.75%	10%
31 December 2019	2023	1.75%	1.75%	10%

13. Goodwill and other intangible assets (continued)

Other intangibles

Management has determined that the carrying value of an intangible asset related to a product in development was not recoverable at 31 December 2020, based on a value-in-use (net present value) calculation. As a result, development costs associated with the product incurred to date, amounting to €3.0 million, were written off in the 2020 income statement.

14. Property, plant and equipment

	Land and buildings €'m	Plant and equipment €'m	Right of Use €'m	Total €'m
Cost:				
At 1 January 2020	4.5	12.1	1.4	18.0
Additions	-	0.4	0.3	0.7
At 31 December 2020	4.5	12.5	1.7	18.7
Accumulated depreciation:				
At 1 January 2020	(0.5)	(5.8)	(0.6)	(6.9)
Charged in the year	(0.1)	(0.8)	(0.6)	(1.5)
At 31 December 2020	(0.6)	(6.6)	(1.2)	(8.4)
Net book value: 31 December 2020	3.9	5.9	0.5	10.3
Net book value: 1 January 2020	4.0	6.3	0.8	11.1

	Land and buildings €'m	Plant and equipment €'m	Right of Use €'m	Total €'m
Cost:				
At 1 January 2019	4.5	11.5	-	16.0
Additions	-	1.0	1.4	2.4
Disposals	-	(0.2)	-	(0.2)
Other	-	(0.2)	-	(0.2)
At 31 December 2019	4.5	12.1	1.4	18.0
Accumulated depreciation:				
At 1 January 2019	(0.4)	(5.1)	-	(5.5)
Charged in the year	(0.1)	(0.9)	(0.6)	(1.6)
Disposals	-	0.2	-	0.2
At 31 December 2019	(0.5)	(5.8)	(0.6)	(6.9)
Net book value: 31 December 2019	4.0	6.3	0.8	11.1
Net book value: 1 January 2019	4.1	6.4	-	10.5

Notes to the consolidated financial statements (continued)

15. Inventories

	2020 €'m	2019 €'m
Raw materials	4.8	5.2
Work-in-progress	1.6	1.6
Finished goods	5.7	4.2
	12.1	11.0

The Group's inventory at 31 December 2020 is attributable entirely to Malin's investee company subsidiary, Altan. A provision of €0.1 million was made against Altan inventory in the year ended 31 December 2020 (31 December 2019: €0.6 million).

16. Trade and other receivables and non-current assets

	2020 €'m	2019 €'m
Trade and other receivables		
Trade receivables	5.3	4.3
Prepayments	0.3	0.2
VAT recoverable	0.4	0.5
Financial assets at FVTPL	1.6	-
Other debtors	0.1	-
	7.7	5.0
Other non-current assets		
Financial assets at FVTPL	1.0	2.5
	1.0	2.5

Trade and other receivables

Of the trade receivables balance of €5.3 million at 31 December 2020, €5.2 million relates to Altan and incorporates private and public hospitals and healthcare providers in Spain and other European countries, as well as Latin America, Asia and other geographies (31 December 2019: €4.2 million). No adjustment was made for expected credit losses at 31 December 2020 as this amount was deemed immaterial (31 December 2019: €nil).

Financial assets at FVTPL

Malin disposed of its investment in 3D4Medical in November 2019 and as part of this transaction an amount of €1.6 million is held in escrow for 18 months. As at 31 December 2020, Malin also had a €0.5 million loan receivable balance with Xenex Disinfection Services, Inc. ("Xenex") and a €0.3 million receivable balance associated with the disposal in 2019 of Cilatus Manufacturing Services Limited and Cilatus Biopharma Consulting AG presented in other non-current assets.

17. Cash and cash equivalents

	2020 €'m	2019 €'m
Cash held by Malin and Malin corporate subsidiaries	23.3	42.6
Cash held by Malin investee company subsidiaries	4.9	4.9
	28.2	47.5

As at 31 December 2020, the Group's cash and cash equivalents balance included a restricted cash balance of €12.3 million (31 December 2019: €19.3 million). An additional line has been included in the statement of cash flows in the investing section to show restricted cash separately with prior year comparatives (2019: movement of €14.7 million) also included.

18. Trade and other payables

	2020 €'m	2019 €'m
Trade payables	6.2	3.9
Accrued expenses	5.1	9.4
Lease liability	0.4	0.2
PAYE, VAT payable and social welfare	0.4	1.1
	12.1	14.6

19. Borrowings

	2020 €'m	2019 €'m
Current borrowings		
Bank borrowings – Malin corporate	10.4	10.4
Bank borrowings – Malin investee company subsidiaries	3.3	3.3
	13.7	13.7
Non-current borrowings		
Bank borrowings – Malin corporate	34.6	44.6
Bank borrowings – Malin investee company subsidiaries	7.6	10.5
	42.2	55.1
Total borrowings	55.9	68.8

As at 31 December 2020, the Company's subsidiary, MLSHL, had outstanding debt with the EIB of €45.0 million (31 December 2019: €55.0 million). The debt is repayable on a tranching basis from drawdown following a four-year interest-only period with the first principal repayments made in the second half of 2020. Interest on the drawn down loan tranches is repayable semi-annually and is calculated as the 6-month Euribor rate plus an interest margin which equates to approximately 4% for all tranches.

As at 31 December 2020, €10.9 million of the Group's borrowings (31 December 2019: €13.8 million) relate to loans obtained by Altan. The majority of this loan balance comprises a loan for a term of 48 months. The loan carries a coupon of 4% plus the 6-month EURIBOR rate.

Notes to the consolidated financial statements (continued)

19. Borrowings (continued)

The carrying value of the Group's borrowings at 1 January 2020 was €68.8 million. During 2020, €0.5 million of loans were drawn down, €13.5 million of loan principal repaid, €0.1 million of loan arrangement costs capitalised, €0.1 million of loan arrangement costs amortised, €2.8 million of loan interest expensed and €2.7 million of loan interest repaid. The carrying value of the Group's borrowings at 31 December 2020 was €55.9 million.

Subsequent to the year end, in January 2021, MLSHL entered into a revised debt facility agreement with the EIB to defer the principal repayments of €10.0 million scheduled for 2021 to 2022. Under the revised terms of the EIB debt facility, the interest margin remains approximately 4% and the first €10.0 million of cash realised by Malin during the deferral period must be paid in priority to the EIB.

20. Other non-current liabilities

	2020 €'m	2019 €'m
2019 LTARGP liability	4.7	3.7
Lease liability	0.1	0.6
Provisions	0.1	0.1
	4.9	4.4

2019 LTARGP liability

Malin has recognised the fair value estimate of the 2019 LTARGP as an expense in the consolidated income statement with a corresponding credit recorded as a plan liability on the consolidated balance sheet. The fair value of the plan was estimated at 31 December 2020 as €4.7 million (31 December 2019: €3.7 million) and the liability was adjusted accordingly. See note 3.

21. Share capital

	2020		2019	
	Number	€'m	Number	€'m
Authorised Share Capital				
Ordinary Shares of €0.001 each	300,000,000	0.3	300,000,000	0.3
A Ordinary Shares of €0.001 each	5,000,000	-	5,000,000	-
B Ordinary Shares of €0.0001 each	305,000,000	-	305,000,000	-
Series Preferred Shares of €0.001 each	200,000,000	0.2	200,000,000	0.2
Deferred Shares of €0.0001 each	305,000,000	-	305,000,000	-
	1,115,000,000	0.5	1,115,000,000	0.5
Issued Share Capital				
Ordinary Shares of €0.001 each	45,945,888	-	45,750,185	-
A Ordinary Shares of €0.001 each	3,279,299	-	3,279,299	-
	49,225,187	-	49,029,484	-

21. Share capital (continued)

Authorised share capital

There were no changes to the authorised share capital in the year to 31 December 2020.

Issued share capital

During the year, 195,703 new Ordinary Shares were issued upon the vesting of restricted stock units ("RSUs") granted 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 the year. As at 31 December 2020, the issued share capital consisted of 45,945,888 Ordinary Shares of nominal value €0.001 each (31 December 2019: 45,750,185) and 3,279,299 A Ordinary Shares of €0.001 each (31 December 2019: 3,279,299).

The A Ordinary Shares are convertible on a one-for-one basis to Ordinary Shares upon the achievement by the Company of specified Total Shareholder Return ("TSR") performance thresholds or on a change of control (see note 24). The A Ordinary Shares do not carry any voting rights, rights to a dividend or rights to participate on a return of capital.

22. 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	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)
<i>Currency translation:</i>					
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

Notes to the consolidated financial statements (continued)

22. 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)
<i>Currency translation:</i>					
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 NCI following step-up investments and additions to, or disposals of, Malin's subsidiaries which resulted in movements in Malin's ownership interests.

23. Earnings per Ordinary Share

Basic earnings per share is computed by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year by the weighted average number of Ordinary Shares outstanding and, when dilutive, adjusted for the effect of all potentially dilutive shares, including the outstanding RSUs.

	2020 €'m	2019 €'m
Numerator:		
Net profit/(loss) for the year attributable to equity holders of the parent	87.7	(5.4)
Denominator:		
Weighted average number of Ordinary Shares outstanding for the year	45.9	45.9
Impact of outstanding RSUs granted but not yet vested	0.4	-
Diluted weighted average number of Ordinary Shares outstanding for the year	46.3	-
Basic earnings/(loss) per share (euro per share)	€1.91	(€0.12)
Diluted earnings/(loss) per share (euro per share)	€1.89	(€0.12)

As at 31 December 2020, there were 357,900 outstanding RSUs (31 December 2019: 586,771) that could potentially have a dilutive impact on earnings per share in the future. As a net loss was recorded in the prior year, the dilutive potential shares are anti-dilutive for the loss per share in the prior year. The 3,279,299 Founder A Ordinary Shares (31 December 2019: 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 31 December 2020.

24. Share-based compensation

	2020 €'m	2019 €'m
Founder A Ordinary Shares expense	0.2	0.8
Long-term Bonus Plan expense	1.0	1.2
Long-term Incentive Plan expense	0.3	0.5
	1.5	2.5

Founder A Ordinary Shares

In connection with the Admission, Malin issued 3,279,299 A Ordinary Shares ("Founder A Ordinary Shares") in March 2015 to its Founder, a Brandon Point Industries ("BPI") Group Company.

There are two separate tranches of performance thresholds upon which the Founder A Ordinary Shares become convertible to Ordinary Shares. The first tranche of 2,314,561 A Ordinary Shares is convertible at any time after the third year anniversary of the Admission on the achievement by the Company of a compounded annual growth rate ("CAGR") on TSR of equal to or greater than 11%. The first tranche performance threshold has not been achieved to date and infers Malin as having a share price of €18.70 at 25 March 2021. The second tranche of 964,738 A Ordinary Shares is convertible at any time after the fifth anniversary of Admission on the achievement by the Company of a CAGR on TSR of equal to or greater than 17.5%. The second tranche performance threshold has not been achieved to date and infers Malin as having a share price of €26.32 at 25 March 2021. The requirement for 11% and 17.5% CAGR on each respective tranche continues to apply increasing the performance threshold for each tranche each year. The Founder A Ordinary Shares are convertible to Ordinary Shares on a one-for-one basis on a change of control.

Notes to the consolidated financial statements (continued)

24. Share-based compensation (continued)

The fair value of the Founder A Ordinary Shares was estimated in 2015 by applying a Monte Carlo simulation technique with the following weighted average assumptions:

	Assumptions
Expected volatility	35%
Expected life	9 years
Expected dividend yield	-
Risk-free interest rate	0.54%

The full fair value charge related to the first tranche Founder A Ordinary Shares (2,314,561 A Ordinary Shares) was taken to the income statement in previous reporting periods. Based on the Monte Carlo model, the fair value of the second tranche Founder A Ordinary Shares (17.5% CAGR TSR Target vesting from the fifth anniversary of the Placing) was estimated at €4.23 per share. The cumulative fair value of the second tranche Founder A Ordinary Shares (964,738 A Ordinary Shares) issued to the BPI Group Company on the Admission Date is €4.1 million. Malin recognised the fair value of the second tranche as an expense in the income statement with a corresponding credit recorded in a share-based payment reserve in equity over a five-year vesting period from March 2015. The full expense was taken to the income statement by March 2020.

A charge of €0.2 million was recognised for the year to 31 December 2020 (2019: €0.8 million) in relation to the Founder A Ordinary Shares. This charge is presented within general and administrative expenses in the income statement (note 6).

Long-term Bonus Plan

The 2015 Long-term Bonus Plan ("2015 LTBP") provided for a bonus pool to be created if an exceptional level of TSR was delivered by Malin. The bonus pool would have been an amount equal to 8.5% of the TSR in respect of the performance period commencing on 1 November 2015. The plan terminated, and no bonus amount was payable, on 1 November 2020, as the required level of TSR had not been achieved at the end of the five-year performance period. Malin recognised the fair value of the plan over its estimated vesting period of five years from 1 November 2015. On termination of the 2015 LTBP on 1 November 2020, there was no reversal of the cumulative fair value charges taken to the income statement to date and €5.8 million of fair value charges relating to the 2015 LTBP included in other reserves was reclassified to retained earnings. A charge of €1.0 million was recognised for the year to 31 December 2020 in relation to the 2015 LTBP allocated and unallocated awards in the consolidated income statement (2019: €1.2 million).

Long-term Incentive Plan

The Company's 2015 LTIP was established on 1 November 2015. On 6 April 2020, 25,000 RSUs were granted to a Non-Executive Director, referred to as the April 2020 awards. These awards are not subject to the achievement of a TSR target (market condition) but are subject to temporal vesting (non-market conditions). Information in respect of these awards is set out in the Remuneration Committee Report on page 49. The fair value of the April 2020 awards was estimated at €2.70 per RSU. The cumulative fair value of these awards on their grant date was €0.1 million. Malin will recognise the fair value expense over the vesting period. No other awards were granted under the 2015 LTIP in 2020.

24. Share-based compensation (continued)

The fair value of awards made under the 2015 LTIP is recognised in the consolidated income statement with a corresponding credit recorded in a share-based payment reserve in equity over the relevant vesting periods. A charge of €0.2 million was recognised for the not-yet-vested tranches in the year to 31 December 2020. At 31 December 2020, the remaining unamortised expense for awards granted under the 2015 LTIP which remained unvested at 31 December 2020 was €0.3 million.

The RSUs outstanding at 31 December 2020 and 31 December 2019 are summarised below:

	2020	2019
Outstanding at beginning of year	586,771	892,370
Granted	25,000	-
Exercised – issued	(195,703)	(88,124)
Cancelled ¹	(58,168)	(217,475)
Outstanding at end of year	357,900	586,771

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

25. Financial instruments

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

	2020		2019	
	Carrying amount €'m	Fair value €'m	Carrying amount €'m	Fair value €'m
Financial assets measured at fair value:				
Financial assets at FVTOCI	265.7	265.7	110.0	110.0
Financial assets at FVTPL	2.6	2.6	2.5	2.5
At 31 December	268.3	268.3	112.5	112.5
Financial liabilities not measured at fair value:				
Interest bearing loans and borrowings	(55.6)	(49.5)	(68.3)	(62.7)
Non-interest bearing loans and borrowings	(0.3)	(0.3)	(0.5)	(0.4)
At 31 December	(55.9)	(49.8)	(68.8)	(63.1)

Notes to the consolidated financial statements (continued)

25. 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)
	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 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 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.

25. Financial instruments (continued)

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 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 year to 31 December 2020 are recognised in the statement of other comprehensive income as a movement through the FVTOCI reserve account.

The fair value of Malin's investment in Poseida, a Nasdaq-listed public entity, at 31 December 2020 is based on the company's share price on this date. The Group's other financial assets at FVTOCI were not traded in active markets at 31 December 2020. The fair value of Malin's investments in Artizan and Wren Therapeutics Limited was determined based on recent investment activity of those companies, including recognising a discount to the price of recent investment.

In the case of Kymab and Immunocore, the estimated fair value at 31 December 2020 was based on financing events which occurred subsequent to the year end. The fair value of Malin's investment in Kymab was anchored on the definitive agreement entered into with Sanofi on 11 January 2021, pursuant to which Sanofi will acquire Kymab for total consideration of up to \$1.45 billion, whilst also taking into consideration the risks associated with the completion of this transaction at that date and valuation considerations associated with alternative business development opportunities available to Kymab at the year end. The fair value of the contingent consideration associated with the Sanofi transaction was estimated by applying assumptions around the achievement of the milestones and applying a discount rate of 12%. A probability weighting was then applied to each of the business development opportunities available to Kymab at year end. The fair value of Malin's investment in Immunocore was determined based on the company's IPO price when it listed on Nasdaq on 5 February 2021. Management considered and concluded that both of these transactions were reflective of market conditions at 31 December 2020.

The fair value of Malin's investment in 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 year as the fair value of Xenex at 31 December 2019 was estimated by recognising a discount to the company's third-party debt financing in September 2018. The fair value movement in the year of €11.8 million includes €2.9 million of foreign exchange losses.

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 31 December 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 31 December 2020, the carrying value of financial assets at FVTPL is deemed to reflect their fair value.

Notes to the consolidated financial statements (continued)

26. Financial risk management

The Group's objectives when managing its financial risks are to safeguard the Group's ability to continue as a going concern in order to build value and provide compelling TSR performance, while maintaining a strong balance sheet to support the continued growth of its businesses and to maintain investor and market confidence.

The Group is exposed to financial risks which arise during the ordinary course of business. These financial risks primarily relate to the Group's liquidity and exposure to foreign currency fluctuations.

Risk exposures

(a) Credit risk

Exposure to credit risk

Credit risk arises from credit exposure to trade and other receivables and cash and cash equivalents including deposits with banks and financial institutions.

Cash and cash equivalents

Cash and cash equivalents give rise to credit risk on amounts due from counterparties. The maximum credit risk is represented by the carrying value at the reporting date and management does not anticipate that any significant counterparty will fail to meet its obligations. The Group controls this exposure by transacting with high quality financial institutions for the purpose of placing deposits and limiting its exposure to any one financial institution. Exposure to each counterparty and any changes in their credit rating is monitored by management on a regular basis.

The Group's treasury policy criteria limit the amount of cash that can be held with financial institutions based on their credit rating per established rating agencies. There were no breaches of the Group's treasury policy during the year.

Of the Group's cash and cash equivalents balance at 31 December 2020, the following table shows the amounts held with A-rated and B-rated institutions based on Standard and Poor's credit ratings and equivalent credit ratings from other established rating agencies.

	2020 €'m	2019 €'m
A-rated financial institutions	22.7	41.9
B-rated financial institutions	5.5	5.6
	28.2	47.5

26. Financial risk management (continued)

Trade and other receivables

	2020 €'m	2019 €'m
Trade receivables	5.3	4.3
Financial assets at FVTPL	2.6	2.5
	7.9	6.8

There is no concentration of credit risk or dependence on individual customers. The Group's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors.

Altan has an ongoing factoring contract covering select public hospital customers in Spain. During 2020 and 2019, Altan sold receivables without recourse to a financial institution (factor), to which the risks and benefits inherent to the ownership of the receivables are transferred to the factor. All trade receivables that are subject to this factoring contract are derecognised in full as Altan has no continuing involvement with the receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Trade receivables	2020 €'m	2019 €'m
Spain	1.7	2.0
EU (excluding Spain)	2.4	1.6
ROW	1.2	0.7
	5.3	4.3

Included in the Group's trade and other receivables as at 31 December 2020 are balances of €1.7 million (31 December 2019: €1.3 million) which are past due at the reporting date, of which €0.2 million (31 December 2019: €0.3 million) has been provided for. The aged analysis of trade receivable balances is as follows:

Trade receivables	2020 €'m	2019 €'m
Current	3.6	3.0
Less than 30 days overdue	0.7	0.5
30 – 60 days overdue	0.5	0.2
61 – 90 days overdue	0.2	0.3
91 – 120 days overdue	0.1	0.2
Over 120 days overdue	0.2	0.1
	5.3	4.3

Notes to the consolidated financial statements (continued)

26. Financial risk management (continued)

The movement in the provision for impairment of trade receivables during the year is as follows:

	2020 €'m	2019 €'m
At 1 January	0.3	0.2
Subsequent recovery of amounts previously provided for	(0.1)	(0.1)
Provision for impairment recognised in the period	-	0.2
At 31 December	0.2	0.3

The provision for impairment relates to trade receivables which are over one year due from select Spanish, European and rest-of-world healthcare providers to Altan.

(b) Liquidity risk

The Group maintains a strong statement of financial position which includes cash balances in current and deposit accounts with notice periods of up to 35 days. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to:

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

As at 31 December 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, MLSHL, has €45.0 million of debt capital outstanding with the EIB repayable on a tranching basis. The Group also has loan balances with a carrying value of €10.9 million associated with its subsidiary, Altan.

At 31 December 2020, Malin's consolidated cash and cash equivalents balance was €28.2 million. This includes cash and cash equivalent balances of €4.9 million held by its investee subsidiary companies and €23.3 million held by Malin and Malin's corporate subsidiaries, inclusive of a restricted cash balance of €12.3 million.

Subsequent to the year end, both Kymab and Immunocore achieved significant operational milestones which should strengthen Malin's liquid resources (see note 30). Several of Malin's other assets have made meaningful clinical and commercial progress and are maturing towards value inflection points which could result in near-term cash realisations and inflows which would bolster the Company's cash and liquid asset resources.

The Group, through its subsidiary, Altan, continues to optimise its working capital through a contract to sell receivables without recourse.

The Group believes it has sufficient cash resources and bank debt facilities at its disposal, which provide flexibility in financing existing operations, acquisitions and other developments. The impact of COVID-19 has not impacted Malin's near-term cash requirements to date.

26. Financial risk management (continued)

The undiscounted contractual maturities of financial instruments, including interest payments and excluding the impact of netting arrangements, at 31 December 2020 and 31 December 2019, are presented below:

	Carrying amount €'m	Contractual cash flow €'m	6 months or less €'m	6 – 12 months €'m	Between 1 – 2 years €'m	Between 2 – 5 years €'m	More than 5 years €'m
Interest bearing loans and borrowings	55.6	60.7	2.8	12.5	18.5	26.9	-
Non-interest bearing loans and borrowings	0.3	0.4	0.1	0.1	0.1	0.1	-
Trade and other payables	11.7	11.7	11.7	-	-	-	-
Lease liability	0.5	0.6	0.2	0.2	0.2	-	-
At 31 December 2020	68.1	73.4	14.8	12.8	18.8	27.0	-
	Carrying amount €'m	Contractual cash flow €'m	6 months or less €'m	6 – 12 months €'m	Between 1 – 2 years €'m	Between 2 – 5 years €'m	More than 5 years €'m
Interest bearing loans and borrowings	68.3	77.1	3.3	13.1	15.7	41.2	3.8
Non-interest bearing loans and borrowings	0.5	0.5	0.1	0.1	0.1	0.2	-
Trade and other payables	14.4	14.4	14.4	-	-	-	-
Lease liability	0.8	1.0	0.4	0.2	0.2	0.2	-
At 31 December 2019	84.0	93.0	18.2	13.4	16.0	41.6	3.8

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and the value of investments held will affect the Group's income or the value of its holding of financial instruments.

Foreign exchange risk

The functional currency of the parent company and the presentation currency of the Group is euro. Foreign exchange risk arises from future commercial and investment transactions, recognised assets and liabilities and net investments in the Group's foreign operations giving rise to other currencies, principally the US dollar and GB pound sterling.

The Group's exposure to currency risk is split between monetary and non-monetary assets. The non-monetary assets of the Group mostly relate to the equity interests in its investee companies in which the currency risk specifically relates to those equity interests denoted in foreign currencies (principally the US dollar and GB pound sterling). The foreign currency translation differences relating to these investee companies are recorded in other comprehensive income and are discussed in notes 11 and 12. The monetary assets of the Group on which currency risk arises are the cash and cash equivalent balances that are denoted in foreign currencies.

Notes to the consolidated financial statements (continued)

26. Financial risk management (continued)

Details of the Group's assets and liabilities and income statement are set out below.

	Euro €'m	USD €'m	GBP €'m	Other €'m	Total €'m
Assets and liabilities held by the Group at 31 December 2020	20.8	261.2	8.4	(0.2)	290.2
2020 Income Statement	87.4	(0.1)	-	-	87.3
	Euro €'m	USD €'m	GBP €'m	Other €'m	Total €'m
Assets and liabilities held by the Group at 31 December 2019	69.3	111.6	(1.6)	(0.2)	179.1
2019 Income Statement	(4.6)	(0.7)	-	0.1	(5.2)

A reasonably possible strengthening, or weakening, of the US dollar and GB pound sterling against the euro at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in €'m	2020			
	Income statement		Equity	
	Strengthening €'m	Weakening €'m	Strengthening €'m	Weakening €'m
US dollar (5% movement)	-	-	12.4	(13.7)
Pound sterling (5% movement)	-	-	0.4	(0.4)
Effect in €'m	2019			
	Income statement		Equity	
	Strengthening €'m	Weakening €'m	Strengthening €'m	Weakening €'m
US dollar (5% movement)	0.1	(0.1)	5.3	(5.9)
Pound sterling (5% movement)	-	-	(0.1)	0.1

At 31 December 2020, the Group's cash and cash equivalents balance of €28.2 million was denominated in the following currencies:

	2020 €'m	2019 €'m
Euro	24.8	45.2
US dollar	3.2	1.0
Pound sterling	0.2	1.3
	28.2	47.5

26. Financial risk management (continued)

Interest rate risk

The Group is exposed to interest rate risk on its cash deposits as at 31 December 2020 and the interest-bearing debt held by Malin and its subsidiary, Altan. Interest rate risk is managed on a continuous basis in conjunction with assessing the funding requirements of the Group. The Group's borrowings were subject to variable interest rates of approximately 4% in 2020.

Capital risk

Malin considers capital to consist of certain equity (share capital, share premium and retained earnings) and long-term debt. The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the ongoing development of the Group. The Board periodically reviews the capital structure of the Group, considering the cost of capital and the risks associated with each class of capital.

(d) Other risks

Malin had investments across multiple entities at the reporting date. The Group mitigates exposure to the value fluctuations of these investments by having an established investment appraisal process in place which involves continuous monitoring procedures which are subject to senior management and board review.

27. Non-controlling interests

	2020 €'m	2019 €'m
At 1 January	10.2	9.9
Share of (loss)/gain for the year	(0.4)	0.2
Share of foreign exchange reserve	0.5	(0.1)
Equity transaction with parent	-	0.2
At 31 December	10.3	10.2

Notes to the consolidated financial statements (continued)

27. Non-controlling interests (continued)

The following tables summarise the information at 31 December 2020 and at 31 December 2019 relating to each of the Group's subsidiaries that have NCI.

	Altan €'m	Other Entities ¹ €'m	Total €'m
NCI percentage at 31 December 2020	35%		
Non-current assets	29.8	0.8	30.6
Current assets	22.9	4.8	27.7
Non-current liabilities	(13.5)	(0.1)	(13.6)
Current liabilities	(11.6)	(1.1)	(12.7)
Net assets	27.6	4.4	32.0
Net assets attributable to NCI	9.7	0.6	10.3
Revenue	41.0	-	41.0
Net loss for the year	(1.1)	-	(1.1)
Other comprehensive income for the year	-	0.7	0.7
Total comprehensive income/(loss) for the year	(1.1)	0.7	(0.4)
Loss allocated to NCI	(0.4)	-	(0.4)
OCI allocated to NCI	-	0.5	0.5
Total comprehensive income/(loss) allocated to NCI	(0.4)	0.5	0.1

1. Malin does not consider the NCI information of NeuVT, Serenus and An2H to be individually significant and selected to group these investments into "Other Entities" in the table above.

27. Non-controlling interests (continued)

	Altan €'m	Other Entities ¹ €'m	Total €'m
NCI percentage at 31 December 2019	35%		
Non-current assets	36.4	0.6	37.0
Current assets	21.6	5.0	26.6
Non-current liabilities	(17.2)	(0.2)	(17.4)
Current liabilities	(11.9)	(1.6)	(13.5)
Net assets	28.9	3.8	32.7
Net assets attributable to NCI	10.1	0.1	10.2
Revenue	33.7	1.0	34.7
Net profit for the year	0.6	0.1	0.7
Other comprehensive loss for the year	-	(0.1)	(0.1)
Total comprehensive income for the year	0.6	-	0.6
Profit allocated to NCI	0.2	-	0.2
OCI allocated to NCI	-	(0.1)	(0.1)
Total comprehensive income/(loss) allocated to NCI	0.2	(0.1)	0.1

1. Malin does not consider the NCI information of NeuVT, Serenus and An2H to be individually significant and selected to group these investments into "Other Entities" in the table above.

28. Commitments and contingencies

The Company, as the parent of the Group has entered into a guarantee in relation to any losses or liabilities, as defined in section 357 of the Companies Act 2014, of its Republic of Ireland registered subsidiary company, MLSHL, for the year ended 31 December 2020.

The Group leases office space, a warehouse and vehicles. The leases typically run for a period of four years on average. At 31 December 2020, Malin had a funding commitment of €0.5 million to the University of Cambridge.

At 31 December 2020 and 31 December 2019, the future minimum lease payments under non-cancellable leases were payable as follows:

	2020 €'m	2019 €'m
Less than one year	0.4	0.6
Between one and five years	0.2	0.4
More than five years	-	-
	0.6	1.0

In 2019, Altan's shareholders entered into a loan arrangement with Altan under which €2.0 million can be drawn down by Altan to advance the business. As majority shareholder, MLSHL has committed €1.5 million of this loan arrangement.

Notes to the consolidated financial statements (continued)

29. Related party transactions

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

BPI Group and Malin related parties

Malin's was founded in 2015 by the BPI Group, an Irish life sciences holding company. The related party transactions between Malin and the BPI Group are set out below.

Founder A Ordinary Shares

In connection with the Admission in 2015, Malin issued the BPI Group with 3,279,299 Founder A Ordinary Shares representing 8.5% of the Total Issued Share Capital of the Company at the time of issuance. The Founder A Ordinary Shares are convertible into Ordinary Shares upon the achievement by the Company of agreed TSR performance thresholds or on the occurrence of a change of control.

At 31 December 2020, the TSR performance vesting targets inferred that the Malin share price would need to reach €16.85 for the first tranche Founder A Ordinary Shares to become convertible to Ordinary Shares and €22.40 for the second tranche Founder A Shares to become convertible to Ordinary Shares. The TSR target (inferred by Malin's share price) increases indefinitely at a CAGR on TSR of equal to or greater than 11% for the first tranche Founder A Ordinary Shares and a CAGR of TSR of equal to or greater than 17.5% for the second tranche Founder A Ordinary Shares, until either the TSR performance thresholds are met or on the occurrence of a change of control.

A non-cash share-based payment charge of €0.2 million associated with the Founder A Ordinary Shares was recognised in the period to 31 December 2020 (2019: €0.8 million). For further information on the Founder Shares, please refer to note 24.

Other BPI shareholdings in Malin

As at 31 December 2020, the following Malin employees had an economic interest in the BPI Group: Darragh Lyons, CEO (1%), and Fiona Dunlevy, Company Secretary (1%). If the Founder A Ordinary Shares' TSR targets are achieved or upon a change of control, the Founder A Ordinary Shares are convertible to Ordinary Shares. If a conversion of Founder A Ordinary Shares occurred, Darragh Lyons would be entitled to 32,793 Ordinary Shares and Fiona Dunlevy would be entitled to 32,793 Ordinary Shares.

Relationships with investee companies

NeuVT (formerly Emba Medical and Emba Neuro)

The BPI Group holds an interest in approximately 20% of the post-combination equity capital of investee company subsidiary, NeuVT Limited at 31 December 2020.

Company Appointments to Investee Company Boards

During 2018, Dr Jean-Michel Cosséry and Rudy Mareel took on additional responsibilities on the boards of three of the Company's investee companies. To reflect their increased time commitment and workloads, the Board determined that both Directors would be eligible to receive additional fees, which will be paid in addition to the fees relating to the Company Board and Committee membership. The final fee level is based on the Board's determination of the time commitment involved for the relevant period. In 2020, Dr Jean-Michel Cosséry received fees from Malin in respect of his role as a Malin-appointed director on the boards of investee companies, Kymab and Immunocore, in the amount of €50,000 in total and Mr Rudy Mareel received fees of €20,000 in respect of his role as Malin-appointed director on the board of investee subsidiary, Altan.

29. Related party transactions (continued)

Key management compensation

The key management personnel at 31 December 2020 are the Executive and Non-Executive Directors of the Company; and the members of the executive management team, including the Chief Executive Officer, Chief Financial Officer and Company Secretary. At 31 December 2020, there was one Executive Director on the Board, the Chief Executive Officer, Darragh Lyons. The remuneration expense for the key management personnel for the year to 31 December 2020 was €1.7 million (2019: €2.1 million).

The interests of the Directors in the Issued Ordinary Share Capital of the Company on 22 March 2021, the latest practicable date, is set out below.

	Ordinary Shares	% of Issued Share Capital
Liam Daniel	10,000	-
Luke Corning	-	-
Dr Jean-Michel Cosséry	-	-
Dr Kirsten Drejer	-	-
Darragh Lyons	54,176	-
Rudy Mareel	-	-

30. Events after the reporting date

On 11 January 2021, Kymab entered into a definitive agreement with Sanofi pursuant to which Sanofi will acquire all outstanding shares of Kymab for an upfront payment of approximately \$1.1 billion and up to \$350 milestones upon achievement of certain milestones. Malin owns approximately 10% of the issued share capital of Kymab and the sale of Kymab is expected to deliver initial net proceeds to Malin of approximately \$112 million, with the potential to receive up to a further \$33 million on the achievement of certain milestones. Following this announcement, Malin's estimated fair value of its investment in Kymab has increased to approximately €95 million. The closing of the transaction, which is subject to antitrust and other customary conditions, is expected in the second quarter of 2021.

On 5 February 2021, Immunocore completed an initial public offering on Nasdaq at an IPO price of \$26.00 per share with a concurrent private placement, raising \$312 million. Following the fundraising and completion of the IPO, Malin holds approximately 5% of the company's issued share capital. At 19 March 2021, the latest practicable date, Immunocore's share price had increased to \$43.43 per share, implying a fair value of Malin's investment in Immunocore of \$102.5 million on this date.

Subsequent to the year end, in January 2021, MLSHL entered into a revised debt facility agreement with the EIB to defer the principal repayments of €10.0 million scheduled for 2021 to 2022. Under the revised terms of the EIB debt facility, the interest margin remains approximately 4% and the first €10.0 million of cash realised by Malin during the deferral period must be paid in priority to the EIB.

31. Subsidiaries and principal associates

(a) Subsidiaries

Incorporated and operating in	Principal place of business	Principal activities	Group interest at 31 December 2020
Ireland			
Malin Corporation plc	Dublin	Ultimate parent company	100%
Malin Life Sciences Holdings Ltd	Dublin	Investment company	100%
Malin Life Sciences International Ltd	Dublin	Operating company	100%
Nidus Laboratories Ireland Ltd	Dublin	Holding company	100%
Harbour Square Corporate Secretaries Ltd	Dublin	Company secretarial	100%
Brandon Point Enterprises 1 Ltd	Dublin	Holding company	75% ¹
Serenus Biotherapeutics Ltd	Dublin	Dormant	76%
Altan Pharma Ltd	Dublin	Operating generics company	65%
NeuVT Ltd	Dublin	Holding company	40%
Emba Neuro Ltd	Dublin	Holding company	69%
An2H Discovery Ltd	Dublin	Holding company	82%
United States			
Malin Life Sciences (US), Inc.	Connecticut	Holding company	100%
United Kingdom			
Nidus Laboratories Ltd	Cambridge	Holding company	100%
Spain			
Altan Pharmaceuticals SAU	Madrid	Operating generics company	65%
Kenya			
Serenus Biotherapeutics Kenya Ltd	Nairobi	Dormant	76%
South Africa			
Serenus Biotherapeutics (Pty) Ltd	Johannesburg	Dormant	76%

1. 75% equity ownership but 90% voting rights

31. Subsidiaries and principal associates (continued)

(b) Associates

Incorporated and operating in	Principal place of business	Principal activities	Group interest at 31 December 2020
Ireland			
Emba Medical Ltd	Dublin	Holding company	46%
United States			
Jaan Health, Inc.	New York	Mobile healthcare technology	15%
KNOW Bio, LLC	North Carolina	Nitric-oxide platform	6%
Viamet Pharmaceuticals Holdings, LLC	North Carolina	Metalloenzyme platform	15%
Jersey			
Malin J1 Ltd	St Helier	Holding company	36%

32. Approval of financial statements

The Board of Directors approved the consolidated financial statements for the year ended 31 December 2020 on 22 March 2021.

Separate Financial Statements

The Company

For the year ended 31 December 2020

Company statement of financial position

as at 31 December 2020

	Notes	2020 €'m	2019 €'m
Assets			
<i>Non-current assets</i>			
Investments in subsidiaries	2	188.1	186.9
Loans and receivables due from subsidiaries	3	253.2	254.5
Total non-current assets		441.3	441.4
<i>Current assets</i>			
Cash and cash equivalents		-	0.1
Total current assets		-	0.1
Total assets		441.3	441.5
Liabilities			
<i>Non-current liabilities</i>			
Other non-current liabilities	4	4.7	3.7
Total non-current liabilities		4.7	3.7
<i>Current liabilities</i>			
Trade and other payables		0.7	0.5
Total current liabilities		0.7	0.5
Net assets		435.9	437.3
Equity			
Share capital	5	-	-
Share premium		112.9	110.8
Share-based payment reserve	6	21.5	28.2
Retained earnings		301.5	298.3
Total equity		435.9	437.3

On behalf of the Board:



Liam Daniel
Chair
22 March 2021



Darragh Lyons
Chief Executive Officer

Company statement of changes in equity

for the year ended 31 December 2020

	Share capital €'m	Share premium €'m	Share-based payment reserve €'m	Retained earnings €'m	Total equity €'m
At 1 January 2020	-	110.8	28.2	298.3	437.3
Comprehensive income:					
Loss for the year	-	-	-	(2.9)	(2.9)
Total comprehensive loss for the year	-	-	-	(2.9)	(2.9)
Share-based compensation – issue of shares	-	2.1	(2.1)	-	-
Share-based compensation – expense	-	-	1.5	-	1.5
Share-based compensation – cancelled RSUs and LTBP	-	-	(6.1)	6.1	-
Total transactions with shareholders	-	2.1	(6.7)	6.1	1.5
At 31 December 2020	-	112.9	21.5	301.5	435.9
	Share capital €'m	Share premium €'m	Share-based payment reserve €'m	Retained earnings €'m	Total equity €'m
At 1 January 2019	-	110.1	27.7	301.0	438.8
Comprehensive income:					
Loss for the year	-	-	-	(4.0)	(4.0)
Total comprehensive loss for the year	-	-	-	(4.0)	(4.0)
Share-based compensation – issue of shares	-	0.7	(0.7)	-	-
Share-based compensation – expense	-	-	2.5	-	2.5
Share-based compensation – cancelled RSUs	-	-	(1.3)	1.3	-
Total transactions with shareholders	-	0.7	0.5	1.3	2.5
At 31 December 2019	-	110.8	28.2	298.3	437.3

Notes to the Company financial statements

1. General information and basis of preparation

The Company is an Irish incorporated and domiciled public limited company trading on the Euronext Growth Market of Euronext Dublin.

The individual financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and the Companies Act 2014. FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

In these financial statements, the company has applied the exemptions under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures of in respect of the compensation of key management personnel.

As the consolidated financial statements of Malin Corporation plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of IFRS 2 Share-Based Payments in respect of group settled share-based payments.

A separate Company statement of comprehensive income is not presented in these financial statements as the Company has availed of the exemption provided by Section 304 of the Companies Act 2014. The loss attributable to shareholders dealt with in the financial statements of the Company for the year to 31 December 2020 was €2.9 million (2019: €4.0 million).

Significant accounting policies applicable to these separate individual Company financial statements, which are not reflected within the accounting policies for the consolidated financial statements, are detailed below.

Investments in subsidiaries

Investments in subsidiaries are accounted for in these separate financial statements on the basis of direct equity interest, rather than on the basis of the reported results and net assets of investees. Investments in subsidiaries are carried at cost less impairment.

Loans and receivables due from subsidiaries

Under IFRS 9 Financial Instruments, loans and receivables from subsidiaries are recognised at amortised cost using the effective interest method. The Company applies a lifetime expected credit losses approach to measuring expected credit losses. The expected loss allowance is based on current and forward-looking information of the subsidiaries and the expected recoverable amounts from Malin's underlying investments.

Intra-group guarantees

Where the Company enters into financial guarantee contracts to guarantee the financial indebtedness of companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. The Company treats the guarantee contract as a contingent liability until such time as it becomes probable that it will be required to make a payment under the guarantee.

As at 31 December 2020, the Company had entered into guarantees in relation to the liabilities of the Republic of Ireland registered subsidiary company, Malin Life Sciences Holding Limited ("MLSHL").

Notes to the Company financial statements (continued)

1. General information and basis of preparation (continued)

Share-based payments

Where the Company has granted rights over its equity instruments to the employees of Malin Corporation plc there is a corresponding increase recognised in the investment in the subsidiary.

Certain employees and Directors of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for shares or for rights over shares of the Company. The fair value of the employee service received in exchange for the grant of options or shares is recognised as an expense. As further detailed in note 24 to the consolidated financial statements, the total amount to be expensed on a straight-line basis over the vesting period is determined by reference to the fair value of the options or shares determined at the grant date, excluding the impact of any non-market based vesting conditions.

Non-market based vesting conditions are included in assumptions about the number of options that are expected to become exercisable or the number of shares that the employee will ultimately receive. This estimate is revised at each balance sheet date and the movement is charged or credited to the investment in subsidiary undertakings, with a corresponding adjustment to equity.

2. Investment in subsidiary undertakings

	2020 €'m	2019 €'m
At 1 January	186.9	182.9
Cost of 2019 LTARGP in respect of subsidiaries (note 4)	1.0	3.7
Cost of share-based payments in respect of subsidiaries	0.2	0.3
At 31 December	188.1	186.9

The capital contributions arising from share-based payment charges represent the Company granting rights over its equity instruments to the employees of the Company's subsidiaries. This results in a corresponding increase in investment in subsidiary.

Management tested the carrying value of the Company's investments in subsidiaries for impairment at 31 December 2020 and deemed the recoverable amount to be greater than the carrying amount. In assessing the recoverable amount of the investments, management has considered the life-stage and strength of the underlying businesses' clinical pipelines and near-term value inflection points.

Details of subsidiary undertakings are disclosed in note 31 of the consolidated financial statements.

3. Loans and receivables due from subsidiaries

	2020 €'m	2019 €'m
Loans to subsidiaries	253.0	254.3
Other amounts owed by subsidiaries	0.2	0.2
At 31 December	253.2	254.5

Loans to subsidiaries relates to an interest-free loan with MLSHL which is repayable on demand but is not expected to be repaid within the next twelve months. At 31 December 2020, no impairment loss was recognised on loans and receivables from subsidiaries.

4. Other non-current liabilities

The Company has recognised the fair value estimate of the 2019 Long-term Asset Realisation and Growth Plan ("2019 LTARGP") of €4.7 million as an investment in subsidiary undertaking with a corresponding credit recorded as a plan liability on the statement of financial position.

5. Share capital

	2020		2019	
	Number	€'m	Number	€'m
Authorised Share Capital				
Ordinary Shares of €0.001 each	300,000,000	0.3	300,000,000	0.3
A Ordinary Shares of €0.001 each	5,000,000	-	5,000,000	-
B Ordinary Shares of €0.0001 each	305,000,000	-	305,000,000	-
Series Preferred Shares of €0.001 each	200,000,000	0.2	200,000,000	0.2
Deferred Shares of €0.0001 each	305,000,000	-	305,000,000	-
	1,115,000,000	0.5	1,115,000,000	0.5
Issued Share Capital				
Ordinary Shares of €0.001 each	45,945,888	-	45,750,185	-
A Ordinary Shares of €0.001 each	3,279,299	-	3,279,299	-
	49,225,187	-	49,029,484	-

See note 21 of the consolidated financial statements for details of the Company's authorised and issued share capital classes.

6. Share-based payment reserve

	2020 €'m	2019 €'m
At 1 January	28.2	27.7
Founder A Ordinary Shares expense	0.2	0.8
2015 LTBP and 2015 LTIP charges	1.3	1.7
2015 LTBP and 2015 LTIP – cancelled RSUs and LTBP	(6.1)	(1.3)
Issuance of shares – share-based payments	(2.1)	(0.7)
At 31 December	21.5	28.2

See note 24 of the consolidated financial statements for details of the Company's share-based payment reserve.

7. Commitments and contingencies

The Company, as the parent of the Group has entered into a guarantee in relation to any losses or liabilities, as defined in section 357 of the Companies Act 2014, of its Republic of Ireland registered subsidiary company, MLSHL, for the year ended 31 December 2020.

Notes to the Company financial statements (continued)

8. Related parties

See note 29 of the consolidated financial statements for details of the Group's related party transactions. The Company has taken advantage of the exemption available to parent companies under IAS 24 Related Party Disclosures, not to disclose transactions and balances with wholly owned subsidiaries.

9. Directors' emoluments and employee information

Directors' fees are borne by the Company in respect of the Directors' services to the Group as a whole. Full details of Directors' remuneration are set out in the Directors' Remuneration Report on pages 42 to 49. The Company had no employees during the period ending 31 December 2020.

10. Events after the reporting period

On 11 January 2021, Kymab entered into a definitive agreement with Sanofi pursuant to which Sanofi will acquire all outstanding shares of Kymab for an upfront payment of approximately \$1.1 billion and up to \$350 milestones upon achievement of certain milestones. Malin owns approximately 10% of the issued share capital of Kymab and the sale of Kymab is expected to deliver initial net proceeds to Malin of approximately \$112 million, with the potential to receive up to a further \$33 million on the achievement of certain milestones. Following this announcement, Malin's estimated fair value of its investment in Kymab has increased to approximately €95 million. The closing of the transaction, which is subject to antitrust and other customary conditions, is expected in the second quarter of 2021.

On 5 February 2021, Immunocore completed an initial public offering on Nasdaq at an IPO price of \$26.00 per share with a concurrent private placement, raising \$312 million. Following the fundraising and completion of the IPO, Malin holds 5% of the company's issued share capital. At 19 March 2021, the latest practicable date, Immunocore's share price had increased to \$43.43 per share, implying a fair value of Malin's investment in Immunocore of \$102.5 million on this date.

Subsequent to the year end, in January 2021, the Group entered into a revised debt facility agreement with the EIB to defer the principal repayments of €10.0 million scheduled for 2021 to 2022. Under the revised terms of the EIB debt facility, the interest margin remains approximately 4% and the first €10.0 million of cash realised by Malin during the deferral period must be paid in priority to the EIB.

11. Approval of financial statements

The Board of Directors approved the Company financial statements for the year ended 31 December 2020 on 22 March 2021.

Directors, Secretary and Advisers

Directors

Liam Daniel (Chair)
Darragh Lyons (CEO)
Luke Corning
Jean-Michel Cosséry, Ph.D
Kirsten Drejer, Ph.D
Rudy Mareel

Company Secretary

Fiona Dunlevy

Company Registration Number

554442

Registered Office

The Lennox Building
50 Richmond Street South
Dublin 2
Ireland

Website

www.malinplc.com

Share Identifiers

Ticker: MLC
ISIN: IE00BVGC3741
SEDOL: BVGC374

Legal Advisers

A&L Goodbody

IFSC
North Wall Quay
Dublin 1
Ireland

Auditor

KPMG

1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

Registrar

Computershare Investor Services

3100 Lake Drive
Citywest Business Campus
Dublin 24
Ireland

Joint Broker & Euronext Growth Market Advisor

Davy

Davy House
49 Dawson Street
Dublin 2
Ireland

Joint Broker

Liberum
25 Ropemaker Street
London EC2Y 9LY
United Kingdom

Notes



Malin Corporation plc
The Lennox Building
50 Richmond Street South
Dublin 2, D02 FK02

www.malinplc.com