



**Fastnet Equity plc**

**Interim Report September 2015**

<b>Contents</b>	<b>Page</b>
Highlights	2
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes in Equity	6
Notes to the Interim Results	7
Company Information	9

## Highlights

We are pleased to report on the progress of Fastnet Equity plc (“**Fastnet**” or the “**Company**”) and present the unaudited interim results for the six month period ended 30 September 2015.

### Operational Highlights

- Concluded detailed asset review of the Company’s oil and gas portfolio in light of the rapidly deteriorating economic conditions in the oil and gas sector during the last year
- Transition from an Oil & Gas business to an investment company following the adoption of an investing policy to acquire companies or businesses in the healthcare sector which was approved by shareholders on 28 August 2015
- Post period end, the oil and gas subsidiaries were demerged into a separate company, Fastnet Hydrocarbons Limited, on 17 December 2015. Fastnet Hydrocarbons Limited is held in trust for the benefit of shareholders on the register of the Company as at the close of business on 16 December 2015
- Fastnet will no longer have any ongoing interest or further cost exposure in respect of oil and gas assets

### Financial and Corporate Highlights

- US\$15.5m cash balance at 30 September 2015 (US\$16.8m at 31 March 2015, US\$18.8m at 30 September 2014)
- Net loss for the period of US\$1.5m (6 months to 31 March 2015: loss of US\$39.7m, 6 months to 30 September 2014: loss of US\$1.6m). The current period net loss comprises general and administrative costs of US\$1.2m and exploration and evaluation costs expensed of US\$0.3m
- Change of the functional currency of Company to Euros (€) with the cash balance of US\$15.1m converted into €13.7m on 31 October 2015 at an FX rate of US\$1:€0.905
- Cash balance of €13.6m as at 30 November 2015 prior to the grant of an unsecured 4 year term loan €660,000 to finance residual running of oil and gas assets

**Consolidated Statement of Comprehensive Income**  
For the six months ended 30 September 2015

	Note	Unaudited 6 months to 30 September 2015 US\$'000	Audited 6 months to 30 September 2014 US\$'000	Audited 12 months to 31 March 2015 US\$'000
<b>Continuing operations</b>				
Revenue		—	—	—
Operational costs		—	—	—
<b>Gross loss</b>		—	—	—
General and administrative costs		(1,177)	(1,651)	(3,196)
Impairment of exploration and evaluation assets		(308)	—	(36,593)
Other operating expenses		(4)	—	(12)
Share based payments		(30)	(74)	(129)
<b>Operating loss</b>		<b>(1,519)</b>	<b>(1,725)</b>	<b>(39,930)</b>
Finance income		50	95	185
Net foreign exchange gain		10	2	4
Loss on ordinary activities before taxation		(1,459)	(1,628)	(39,741)
Tax on loss on ordinary activities		—	—	—
<b>Loss and total comprehensive loss for the period attributable to the equity holders of the Company</b>		<b>(1,459)</b>	<b>(1,628)</b>	<b>(39,741)</b>
<b>Loss per share:</b>				
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (cent)	3	(0.42)	(0.47)	(11.51)

## Consolidated Statement of Financial Position

As at 30 September 2015

	Unaudited 30 September 2015 US\$'000	Unaudited 30 September 2014 US\$'000	Audited 31 March 2015 US\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	11	8
Exploration and evaluation assets	—	35,986	—
<b>Total non-current assets</b>	<b>5</b>	<b>35,997</b>	<b>8</b>
<b>Current assets</b>			
Trade and other receivables	58	148	173
Cash and cash equivalents	15,516	18,827	16,790
<b>Total current assets</b>	<b>15,574</b>	<b>18,975</b>	<b>16,963</b>
<b>Total assets</b>	<b>15,579</b>	<b>54,972</b>	<b>16,971</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	20,261	20,261	20,261
Share premium	38,918	38,918	38,918
Other reserves	2,110	1,996	2,080
Retained deficit	(46,251)	(6,679)	(44,792)
<b>Total equity</b>	<b>15,038</b>	<b>54,496</b>	<b>16,467</b>
<b>Non-current liabilities</b>			
Liability for share based payments	—	2	—
<b>Total non-current liabilities</b>	<b>—</b>	<b>2</b>	<b>—</b>
<b>Current liabilities</b>			
Trade and other payables	541	474	504
<b>Total current liabilities</b>	<b>541</b>	<b>474</b>	<b>504</b>
<b>Total liabilities</b>	<b>541</b>	<b>476</b>	<b>504</b>
<b>Total equity and liabilities</b>	<b>15,579</b>	<b>54,972</b>	<b>16,971</b>

**Consolidated Statement of Cash Flows**  
For the six months ended 30 September 2015

	Unaudited 6 months to 30 September 2015 US\$'000	Unaudited 6 months to 30 September 2014 US\$'000	Audited 12 months to 31 March 2015 US\$'000
<b>Cash flows from operating activities</b>			
<b>Group operating loss for the period</b>	<b>(1,519)</b>	(1,725)	(39,930)
Depreciation	3	3	6
Share based payment expense	30	74	129
Impairment of exploration and evaluation assets	308	—	36,593
Movements in working capital and other adjustments:			
Decrease/(increase) in trade and other receivables	115	(72)	(97)
Increase/(decrease) in trade and other payables	37	(393)	(496)
<b>Net cash flow used in operating activities</b>	<b>(1,026)</b>	(2,113)	(3,795)
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment	—	(1)	—
Expenditure on exploration and evaluation assets	(308)	(16,994)	(17,442)
Farm-in proceeds	—	20,410	20,410
Finance income	50	95	185
<b>Net cash flow (used in)/from investing activities</b>	<b>(258)</b>	3,510	3,153
<b>Cash flow from financing activities</b>			
Net proceeds from issue of equity instruments	—	—	—
<b>Net cash flow from financing activities</b>	<b>—</b>	—	—
<b>Exchange and other movements</b>	<b>10</b>	2	4
<b>Net change in cash and cash equivalents</b>	<b>(1,274)</b>	1,399	(638)
Cash and cash equivalents at beginning of period	16,790	17,428	17,428
<b>Cash and cash equivalents at end of period</b>	<b>15,516</b>	18,827	16,790

## Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

	Share capital US\$'000	Share premium US\$'000	Share based payment reserve US\$'000	Merger reserve US\$'000	Reverse asset acquisition reserve US\$'000	Capital reserve US\$'000	Retained deficit US\$'000	Total US\$'000
Balance at 1 April 2014	20,261	38,918	1,584	11,478	(11,256)	9	(5,051)	55,943
Loss and total comprehensive loss for the period	—	—	—	—	—	—	(1,628)	(1,628)
Share based payments	—	—	181	—	—	—	—	181
<b>Balance at 30 September 2014 (Unaudited)</b>	20,261	38,918	1,765	11,478	(11,256)	9	(6,679)	54,496
Balance at 1 October 2014	20,261	38,918	1,765	11,478	(11,256)	9	(6,679)	54,496
Loss and total comprehensive loss for the period	—	—	—	—	—	—	(38,113)	(38,113)
Share based payments	—	—	84	—	—	—	—	84
<b>Balance at 31 March 2015 (Audited)</b>	20,261	38,918	1,849	11,478	(11,256)	9	(44,792)	16,467
Balance at 1 April 2015	20,261	38,918	1,849	11,478	(11,256)	9	(44,792)	16,467
Loss and total comprehensive loss for the period	—	—	—	—	—	—	(1,459)	(1,459)
Share based payments	—	—	30	—	—	—	—	30
<b>Balance at 30 September 2015 (Unaudited)</b>	20,261	38,918	1,879	11,478	(11,256)	9	(46,251)	15,038

## Notes to the Interim Results

### 1. General Information

Fastnet Equity plc (“Fastnet” or the “Company”) is a company incorporated in England and Wales. Details of the registered office, the officers and advisers to the Company are presented on the Company Information page at the end of this report. The Company is listed on the AIM market of the London Stock Exchange (ticker: FAST) and the Enterprise Securities Market of the Irish Stock Exchange (ticker: FOI).

The principal activity of the Company during the period was oil and gas exploration. At a general meeting of the Company on 28 August 2015, a fundamental change of business and adoption of an Investing Policy was approved by the shareholders of the Company. The Investing Policy is to acquire companies or businesses in the healthcare sector particularly those in the biopharma sector.

The interim results of the Company for the six month period ended 30 September 2015 comprise the Company and its subsidiaries (together the “Group”).

### 2. Basis of Preparation

The interim results have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”), and their interpretations adopted by the International Accounting Standards Board (“IASB”). As is permitted by the AIM rules the Directors have not adopted the requirements of IAS34 “Interim Financial Reporting” in preparing the financial statements. Accordingly the financial statements are not in full compliance with IFRS and have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practises Board. The accounting policies used in the preparation of the interim financial information are the same as those used in the Company’s audited financial statements for the year ended 31 March 2015 and are expected to be used in the 31 March 2016 year-end financial statements.

The financial information for the six months ended 30 September 2014 and 30 September 2015 is unaudited. The financial information presented for the year ended 31 March 2015 is an extraction from the Group’s audited accounts and therefore does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 on which the auditors issued an unqualified report. The auditor’s report also did not contain a statement under Section 498(2) or 498 (3) of the Companies Act 2006 and did not include reference to any matters the auditor drew attention by way of emphasis. The accounts for the year ended 31 March 2015 have been delivered to the Registrar of Companies. The Directors consider that the financial information presented in this Interim Report represents fairly the financial position, operations and cash flows for the period, in conformity with IFRS. The Interim Report for the six months ended 30 September 2015 was approved by the Directors on 21 December 2015.

#### ***Presentation of Balances***

The Financial Statements are presented in US Dollars (“US\$”) which was the functional and presentational currency of the Company during the period and the functional currency of all the Group’s subsidiary companies. Balances in the Financial Statements are rounded to the nearest thousand (“US\$’000”) except where otherwise indicated. In light of the Company’s fundamental change in business the directors have reviewed the functional currency of Company and determined with effect from 1 November 2015 that Euro (“€”) will be the appropriate functional currency going forwards (see note 4.)

### 3. Loss per Share – Basic and Diluted

The Group presents basic and diluted loss per share (“LPS”) data for its Ordinary Shares. Basic LPS is calculated by dividing the loss attributable to Ordinary Shareholders of the Company by the



## Notes to the Interim Results

weighted average number of Ordinary Shares outstanding during the period. Diluted LPS is determined by adjusting the loss attributable to Ordinary Shareholders and the weighted average number of Ordinary Shares outstanding for the effects of all dilutive potential Ordinary Shares, which comprise warrants and share options granted by the Company.

The calculation of loss per share is based on the following:

	6 months to 30 September 2015	6 months to 30 September 2014	12 months to 31 March 2015
Loss after tax attributable to equity holders of the parent (US\$'000)	(1,459)	(1,628)	(39,741)
Weighted average number of Ordinary Shares in issue	345,369,071	345,369,071	345,369,071
Fully diluted average number of Ordinary Shares in issue	345,369,071	345,369,071	345,369,071
Basic and diluted loss per share (cent)	(0.42)	(0.47)	(11.51)

Where a loss has occurred, basic and diluted LPS are the same because the outstanding share options and warrants are anti-dilutive. Accordingly, diluted LPS equals the basic LPS.

The share options and warrants outstanding as at 30 September 2015 totalled 13,819,726 (31 March 2015: 20,397,423, 30 September 2014: 25,397,423) and are potentially dilutive.

#### 4. Subsequent Events

##### ***Change of Functional and Presentational Currency***

Following the companies fundamental change in business in August 2015 the Company will be funded in Pounds Sterling ("£"), alongside incurring costs in £, Euro ("€") and US\$. Having considered the aggregate effect of all relevant factors, the Directors have concluded that € will be the appropriate functional currency of the Company with the change becoming effective from 1 November 2015. This reflects the fact that € is the predominant currency in the economic environment in which the Company operates and expects to operate in going forward. In line with IAS 21 when there is a change in an entity's functional currency the change should take place with effect from the date the Company determined that the characteristics required to identify the functional currency had changed. The Company determined that this change occurred during Q4 2015 and is effective for accounting purposes from 1 November 2015. The Group and Company will also adopt the € as the presentational currency going forward.

##### ***Demerger of Oil and Gas Assets***

The Company's oil and gas subsidiaries were acquired by Fastnet Hydrocarbons Limited ("**Fastnet Hydrocarbons**"), on 17 December 2015 for an aggregate sum of £1. Fastnet Hydrocarbons is held in trust for the benefit of shareholders on the register of the Company as at the close of business on 16 December 2015. As a consequence the Group will no longer have any ongoing interest or further cost exposure in respect of oil and gas assets.

Prior to the demerger, as at 30 November 2015, the Company's cash balances amounted to €13.6m. As part of the demerger an unsecured four year term loan of €660,000 was granted to finance the residual running of oil and gas assets.

#### 5. Copy of the Interim Report

Copies of the Interim Report are available to download from the Company's website at [www.fastnetequity.com](http://www.fastnetequity.com).

## Company Information

### Registered Office

Ivybridge House  
1 Adam Street  
London  
WC2N 6LE

### Company Number

5316808

### Directors

Cathal Friel – Non-executive Chairman  
Michael Nolan – Non-executive Director  
Michael Edelson – Non-executive Director

### Company Secretary

Alan Mooney

### Company Website

[www.fastnetequity.com](http://www.fastnetequity.com)

### AIM Nominated Adviser

Shore Capital and Corporate Limited  
Bond Street House  
14 Clifford Street  
London  
W1S 4JU

### Joint Broker

Shore Capital Stockbrokers Limited  
Bond Street House  
14 Clifford Street  
London  
W1S 4JU

### ESM Adviser and Joint Broker

Davy Stockbrokers  
Davy House  
49 Dawson Street  
Dublin 2

### Auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Banker

Allied Irish Bank (GB)  
10 Berkeley Square  
Mayfair  
London  
W1J 6AA

Allied Irish Bank  
Ashford House  
Tara Street  
Dublin 2

### Solicitors

Kuits Steinart Levy LLP  
3 St Mary's Parsonage  
Manchester  
M3 2RD

Mason Hayes+Curran  
South Bank House  
Barrow Street  
Dublin 4

### Registrars

Capita Asset Services  
The Registry  
34 Beckenham Road  
Kent  
BR3 4TU