Amryt Pharma plc

Interim Report June 2019

(Unaudited)

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Chairman & CEO's Statement

Introduction

We are pleased to report on the progress of Amryt Pharma plc and present the unaudited interim financial results for the six-month period ended 30 June 2019 ("H1 2019"). As used herein, references to "we", "us", "Amryt", the "Amryt Group" or the "Group" in this unaudited interim report shall mean Amryt Pharma plc and its world-wide subsidiaries, collectively. References to the "Company" in this interim report shall mean Amryt Pharma plc. The H1 2019 results contained in this unaudited interim report reflect the consolidated results of Amryt Pharma plc, the parent company of the Group during the period (company number: 05316808). A new holding company for the Group was inserted effective from 24 September 2019 (company number: 12107859).

Overview

Amryt is a biopharmaceutical company focused on developing and delivering innovative new treatments to help improve the lives of patients with rare or orphan diseases. Through acquiring, developing and commercialising products, the Company's ambition is to become a global leader in the orphan disease market. The Group has built a diverse portfolio of commercial and development stage assets and its strategy is focused on three pillars:

- Expand Amryt's commercial business - driving further revenue growth of Amryt's lead commercial asset, Lojuxta®, an approved treatment for adult patients with the rare cholesterol disorder – Homozygous Familial Hypercholesterolaemia (HoFH), in existing and new territories
- Acquisition and in-license opportunities - actively seeking to expand Amryt's commercial product portfolio by acquiring further commercial or near commercial assets to leverage Amryt's successful Lojuxta business, such as the recent acquisition of Aegerion
- Epidermolysis Bullosa ("EB") franchise - developing Amryt's lead development asset, AP101, which is currently in Phase 3 as a potential treatment for EB as well as progressing our gene therapy platform, AP103, into the clinic.

Aegerion Pharmaceuticals, Inc Acquisition

Amryt announced on 21 May 2019 a recommended acquisition of Aegerion Pharmaceuticals, Inc ("Aegerion" and together with the Group, the "Enlarged Group"), (the "Acquisition"). This transformational acquisition is consistent with Amryt's strategy to expand its product portfolio to enhance shareholder value. The Board believes that the combination of Aegerion and Amryt will significantly advance Amryt's ambition to create a global leader in rare and orphan diseases with a diversified offering of multiple commercial and development stage assets and will provide Amryt with the scale to support further growth. The acquisition of Aegerion by Amryt was completed post period end on 24 September 2019.

Performance Highlights

Amryt's business performance and financial results for the first half of 2019 have been in line with the Board's expectations. The Group's revenues have continued to deliver solid growth, in part driven by the positive reimbursement decisions in the UK and France in the fourth quarter of 2018 for Lojuxta, with initial orders received from UK patients in the fourth quarter of 2018 and from French patients in the first quarter of 2019.

The Company's lead development asset, AP101, continues to progress and achieved a significant milestone with the successful completion of an unblinded interim efficacy analysis by the Independent Data Monitoring Committee ("IDMC") of Amryt's Phase 3 EASE study in EB in January 2019. The IDMC recommended that the trial should continue and also recommended an increase in the enrolment of patients from 182 patients to 230 evaluable patients to maintain adequate statistical power. The IDMC also allowed Amryt to open its study to children with EB between the ages of 21 days to four years of age. The EASE study is progressing well, and the Directors believe that the study will be fully enrolled by the end of 2019.

Chairman & CEO's Statement

The Company's in-licensed gene therapy platform, AP103, has completed two pre-clinical studies which showed that topical application of AP103 restored production of collagen VII in pre-clinical models of EB to levels exceeding those produced by healthy human keratinocytes (cells that regenerate the outer layer of the skin) and to levels similar to those observed following delivery of the same gene with a viral vector. AP103 also exhibited no evidence of cellular toxicity after repeated administration.

Some financial and operational highlights of the Group's performance in 2019 to date are as follows:

H1 2019 Financial Highlights

- Revenue growth of 15.9% to €8.1m (H1 2018: €7.0m)
- Revenues from Lojuxta (lomitapide) increased to €7.9m, which represents a growth rate of 19.5% compared to H1 2018 (€6.6m)
- Acquisition related expenses relating to work completed in H1 amounted to €2.3m
- Cash balance at 30 June 2019 of €4.8m (31 December 2018: €9.8m)

H1 2019 Operational Highlights

Lead Commercial Asset - Lojuxta

- Initial orders received for patients in France in Q1 2019
- Positive momentum building in the UK and Saudi Arabian markets, following first orders received for patients in Q4 2018

Lead Development Asset - AP101

- Significant continued progress made in the EASE Phase 3 clinical trial supporting the development of AP101, a potential treatment for EB with final patient enrolment expected by the end of 2019
- Following an assessment of the results of an unblinded interim efficacy analysis of its pivotal Phase 3 EASE trial for AP101 as a potential treatment for EB, the IDMC recommended that the trial should continue with an increase of 48 patients in the study to a total of 230 evaluable patients, in order to maintain 80% statistical power
- Following an assessment in February by the EASE trial's IDMC of pharmacokinetic ("PK") data received from patients already enrolled in the trial (aged four years and older), Amryt can now enrol infants and children with EB between the ages of 21 days to 4 years of age into the trial

Gene Therapy Platform - AP103

- Data from two preclinical studies showed that topical application of AP103 restored production of collagen VII in pre-clinical models of EB to levels exceeding those produced by healthy human keratinocytes and to levels similar to those observed following delivery with a viral vector
- In addition, AP103 exhibited no evidence of cellular toxicity after repeated administration

Post-Period-End Events

- In August/September 2019, Amryt raised gross proceeds of $8.0 million by way of an interim placing
- Scheme of arrangement completed to create new English group holding company ("New Amryt")
- Acquisition of Aegerion completed on 24 September 2019
- Admission of the enlarged share capital of New Amryt to trading on AIM and Euronext Growth

- $60 million equity raise completed in conjunction with the acquisition of Aegerion on 24 September 2019
- Re-financing of existing Aegerion debt and additional debt introduced to repay the existing Amryt EIB debt facility resulting in a new 5-year term loan facility of $81 million and a new 5.5-year convertible loan facility of $125 million
- New board structure announced for the Enlarged Group

Acquisition of Aegerion

On 21 May 2019, the Company announced that it had reached an agreement to acquire Aegerion, the wholly-owned operating subsidiary of Novelion Therapeutics Inc. (NASDAQ:NVLN) ("Novelion"). Pursuant to the terms of the Acquisition, the implied transaction equity valuations of Amryt and Aegerion are approximately $120.0 million and $190.7 million, respectively. Aegerion, with the support of its principal creditors, filed a pre-negotiated Chapter 11 bankruptcy case in the US Bankruptcy Court. The US Bankruptcy Court approved the Plan of Reorganisation on 10 September 2019 and Aegerion emerged from bankruptcy with substantially reduced liabilities and debts and with a reorganised and streamlined capital structure. The acquisition of Aegerion by Amryt was completed on 24 September 2019.

On 25 September 2019, the Enlarged Group was re-admitted to AIM and Euronext Growth and the Enlarged Group will seek to effect a follow-on US listing with the goal of increasing trading liquidity and broadening investor reach.

Amryt has built a diversified portfolio of assets to treat patients with rare and orphan diseases through the acquisition of its AP101 product line and through the in-licencing of the LOJUXTA® (from Aegerion) product line and the AP103 gene therapy product line.

The Acquisition will advance Amryt's ambition to create a global leader in rare and orphan diseases, with a diversified offering of multiple development stage and commercial assets and will provide it with the scale to support further growth. The Acquisition will give Amryt an expanded commercial footprint to market two US and EU approved products, lomitapide (marketed as JUXTAPID® in the US/ROW and as LOJUXTA® in the EU) and metreleptin (marketed as MYALEPT® in the US and as MYALEPTA® in the EU). The Directors believe that Amryt's leadership team already has a deep knowledge of both these products and, since December 2016, has licensed from Aegerion and successfully commercialised LOJUXTA® across Europe and the Middle East.

The Amryt Group's deep knowledge of the Aegerion Group's products will be key to driving the Enlarged Group's revenue growth, and the Directors believe that the reunification of the lomitapide brands will provide the potential for the Enlarged Group to replicate the success that Amryt has had with sales of LOJUXTA® in Europe and the Middle East with JUXTAPID® in the US and the rest of the world. The Directors also believe that there will be opportunities to grow MYALEPTA® revenues by broadening sales across the EU following the recent approval by the European Medicines Agency ("EMA") in July 2018 and the enlarged footprint of the European sales and marketing team following the Acquisition. The Acquisition will also provide the Enlarged Group with a ready-made commercial US presence and infrastructure in advance of the anticipated launch of the Company's AP101 product which is subject to AP101 receiving the relevant regulatory approvals.

Amryt recognised acquisition related expenses of €2.3 million in H1 for work done during this period. The Company expects additional acquisition related expenses to be incurred in H2 2019.

Operational Update

Lead Commercial Asset - Lojuxta

Lojuxta (lomitapide) is an approved treatment for adult patients with the rare cholesterol disorder - Homozygous Familial Hypercholesterolaemia ("HoFH"). This disorder impairs the body's ability to remove low density lipoprotein ("LDL") cholesterol ("bad" cholesterol) from the blood, typically leading to abnormally high blood LDL cholesterol levels in the body from before birth - often ten times more than people without HoFH - and subsequent aggressive and premature narrowing and blocking of blood vessels, heart attacks and strokes, even at a very young age if not properly diagnosed or receiving adequate treatment. Lojuxta is indicated as an adjunct to a low-fat diet and other lipid-lowering medicinal products with or without LDL apheresis in adult patients with HoFH.

Following the completion of the Lojuxta in-licensing deal in December 2016, Amryt became a commercial pharmaceutical company, generating sales across Europe, the Middle East and other licensed territories. Amryt's Lojuxta business has grown significantly since the product was in-licensed in December 2016, through both organic growth and through a license extension signed in May 2018 to expand significantly the exclusive license agreement for Lojuxta into Russia and CIS, as well as the non-EU Balkan states. Amryt estimates there may be up to 450 additional patients who could benefit from treatment with Lojuxta across the countries covered by the extended agreement, representing an increase of approximately 25% in the total number of addressable patients covered under the Amryt license agreement. The Company believes the total addressable market opportunity for Lojuxta in the territories listed above to be in excess of €125 million.

Amryt continues to evaluate the possibility of developing lomitapide for the potential treatment of Familial Chylomicronaemia Syndrome ("FCS"). FCS is a rare genetic disease that published prevalence estimates suggest effects approximately one to two individuals per million. In 2010, the EMA granted orphan designation for lomitapide for the treatment of FCS. An investigator study has commenced in Italy in FCS and top-line results from this study are expected in 2020.

Lojuxta revenues for the six months to 30 June 2019 amounted to €7.9 million which represents a 19.5% increase on the same period in 2018. Amryt's focus on adoption of, and access to, Lojuxta in new and existing territories is already delivering significant returns and the Board are confident that this positive momentum will continue to grow revenues (in the expanded geographies that the Group now has direct control over post-Acquisition) for the balance of 2019 and beyond.

Future sales growth will be driven by existing markets and from new territories. This anticipated growth in existing markets is underpinned by:

- Positive momentum building following reimbursement decisions in the UK and France for Lojuxta in 2018 and first orders from Saudi Arabia coming through in Q4 2018;
- An increase in individual named patients, who access funding for treatment on a named patient basis in those countries where there is no national reimbursement agreement

The acquisition of Aegerion will re-unite the Lomitapide franchise which, prior to the Acquisition, was being sold by Aegerion in the US under the brand name of JUXTAPID and by Amryt in the EU, the Middle East and CEE under the brand name of LOJUXTA. Amryt management intends to capitalise on its unique knowledge of this product to replicate the success of Lojuxta in Europe with Juxtapid in the US to drive future growth and profitability and establish Amryt as a global player in the rare and orphan disease market.

Lead Development Asset – AP101

AP101 is a potential treatment for EB, a rare and distressing genetic skin disorder that causes the skin layers and internal body linings to separate, affecting infants, children and adults, for which there is currently no approved treatment.

Amryt has progressed the development of AP101 since 2016 and in March 2017 commenced EASE, a Phase 3 efficacy and safety study of AP101 in patients with EB. EASE is the largest ever global Phase 3 study conducted in patients with EB. The first patient was enrolled in EASE in April 2017. In January

2019, Amryt reported the outcome of an unblinded interim efficacy analysis, at which point the IDMC recommended continuing the trial and increasing enrolment from 182 patients to 230 evaluable patients to maintain adequate statistical power. Since February 2019, Amryt has been permitted to enrol infants and children with EB between the ages of 21 days to four years into the trial (the recruitment process for which is underway) and it is anticipated that the study will be fully enrolled by the end of 2019 with topline data expected in the first half of 2020.

Amryt was first granted patent protection for AP101 in Japan in 2010. Key patent grants for AP101 in Europe and the US followed in 2016. The Amryt Group's AP101 patent portfolio includes one patent covering oleogel compositions and two patents covering treatment of EB that provide exclusivity in the US until 2025 (compositions) and 2030 (treatment of EB). The Amryt Group's non-US patents for AP101 include EU patents covering the AP101 composition and methods of healing wounds with AP101. Supplementary protection certificates have been obtained in various EU countries, extending the expiration of the composition patents in the EU from 2025 to 2030. The method of use patents are valid in the EU until 2030. Amryt has filed a further provisional patent application which, if successfully approved, will provide further intellectual property coverage globally to 2039.

If AP101 is approved for the treatment of EB, the Company should have Orphan Drug Designation in the EU and the US which would give ten years of exclusivity in the EU and seven years of exclusivity in the US, in each case, following such approval.

In 2018, Amryt obtained clearance from the FDA to open an IND which allows clinical trial sites in the US to participate in the EASE study. AP101 was also granted Rare Paediatric Disease designation by the FDA. This means that if a NDA for AP101 is approved, the Directors expect Amryt to be eligible to receive a Rare Paediatric Disease Priority Review Voucher that can be used, sold or transferred.

Potential Future Indications
AP101 has already been approved in Europe for use in the treatment of partial thickness wounds in adults but not yet commercialised.

AP101 is a topical product, to be applied to the skin, incorporating an extract from the bark of the birch tree formulated with sunflower oil. In in-vitro experiments AP101 has been observed to stimulate keratinocyte migration and promote differentiation into mature-epithelial skin cells, thereby ensuring more rapid wound healing.

Amryt has also received interest from physicians to study AP101 in various partial thickness wound indications where there is high unmet medical need. In response to this interest, Amryt is evaluating new life cycle opportunities for AP101, including Toxic Epidermal Necrolysis Syndrome (including Stevens- Johnson Syndrome) and Grade III/IV radiotherapy and chemotherapy induced dermatitis. The scope of the current EMA approval for AP101 may offer the opportunity to launch AP101 in some of these indications in Europe and, pending the expansion of patents, open an opportunity in the United States.

In November 2018, the first patients were enrolled in the early access programme for AP101 in Latin America, resulting in the first early access programme sales for AP101 in November 2018. This programme allows Amryt to provide AP101 pre-approval to patients in need and the programme runs alongside the EASE study. The early access programme allows Amryt to collect real world data from patients enrolled in the programmes in Latin America, which can be used to generate real world evidence and to supplement clinical trial data when seeking drug approval. Only patients who are not eligible for EASE, and who have severe disease with no acceptable treatment alternatives are eligible for consideration for an early access programme. Amryt intends to extend the availability of the early access programme in Argentina, Brazil, Colombia and certain European countries where interest has been expressed.

AP103 (Gene Therapy in EB)

In March 2018, Amryt in-licensed a pre-clinical gene-therapy platform technology, AP103, which offers a potential treatment for patients with Recessive Dystrophic Epidermolysis Bullosa ("RDEB"), a subset of EB, and is also potentially relevant to other genetic disorders.

AP103 is a novel polymer platform technology for delivery of gene therapy with potential applicability across a range of genetic disorders. This technology has been exclusively in-licensed by Amryt from University College Dublin and involves the use of Highly Branched Poly (β-Amino Ester) ("HPAE") polymers as the delivery vehicle for gene therapy.

The initial focus of the development work has been in the area of EB and specifically, RDEB. Potential competitors working in the area of gene therapy for EB are mostly working with viral vectors for gene delivery. The patented technology for which Amryt has a license involves the use of a novel non-viral gene delivery platform technology, specifically using the family of HPAE polymers. If successful, this could eliminate the requirement for viruses as delivery vectors and may provide a safer, easier to manufacture and more convenient treatment for patients.

In 2018, two pre-clinical trial studies completed on AP103 showed that topical application restored production of collagen VII in pre-clinical models of EB to levels exceeding those produced by healthy human keratinocytes (cells that regenerate the outer layer of the skin) and to levels similar to those observed following delivery of the same gene with a viral vector. In addition, AP103 exhibited no evidence of cellular toxicity after repeated administration in these studies.

Pre-clinical Studies and Results

Amryt completed two pre-clinical studies in late 2018 and in January 2019 announced results from these studies which support the development of AP103 as a potentially disease-modifying therapy for patients with RDEB. RDEB is a particularly severe form of EB and is caused by mutations in a single gene, COL7A1, which codes for the production of collagen VII, a structural protein vital for the elastic and structural integrity of the skin. Restricting production of collagen VII in skin cells could be transformative for these patients, potentially making their skin less fragile and more resistant to damage and blistering. The pre-clinical studies sought to investigate the potential of AP103 as a topical gene therapy intervention to restore expression of the COL7A1 gene.

- In vitro tests of RDEB keratinocytes, the main cell type in the top layer of skin, showed that a single delivery of the human collagen VII gene, by AP103, restored collagen VII production to levels exceeding those produced by healthy human keratinocytes
- Topical application of AP103 onto a 3-D matrix of human RDEB skin restored collagen VII along the basement membrane to levels similar to those observed post-delivery using a single vector
- AP103 exhibited no evidence of cellular toxicity after repeated administration

Amryt is continuing pre-clinical testing of AP103 and further in vivo testing for efficacy is under way. A pre-clinical toxicology programme is also in development. The suppliers for the materials for production of the components of AP103 and the final AP103 product under good manufacturing practice conditions are currently under evaluation for selection.

In December 2018, an Amryt-led consortium comprised of Amryt (as lead partner), University College Dublin, Curran Scientific Limited and DEBRA Ireland was awarded (subject to contract negotiation) grant funding totalling €8.4 million over three years from the Disruptive Technologies Innovation Fund, part of the Irish Government's Department of Business, Enterprise and Innovation, to develop the AP103 gene therapy platform. The grant funding will be matched by the consortium partners at various funding levels over the three-year term of the project. The grant will fund further development of the AP103 non-viral gene therapy platform from pre-clinical testing to proof of concept in humans. The

initial funds will be used for R&D and staff costs associated with the project and, if pre-clinical work is successful, to fund the initial phases of a clinical trial for AP103. In addition to the primary work on AP103, the funds will also support research into the development of the HPAE polymer technology for the potential treatment of other genetic disorders.

Imlan

Amryt also owns a range of derma-cosmetic products acquired in conjunction with the acquisition of Birken AG in 2016. Imlan is marketed solely in Germany as a treatment for sensitive, allergy-prone and dry skin.

Financial Performance

The unaudited results for the current period are those of the Company and its subsidiaries for the six months to 30 June 2019.

Total revenues for the six-month period to 30 June 2019 amounted to €8,139,000, which represents a 15.9% increase on total revenues for the same period in 2018. Lojuxta generated revenues of €7,874,000. This compares to total revenues for the 6-month period 30 June 2018 of €7,020,000, with Lojuxta generating revenues of €6,591,000 for the period. Total Group revenues for the year ended 31 December 2018 amounted to €14,454,000.

Gross margin for the six months to 30 June 2019 was 60.5% compared to 61.4% for the six-month period ended 30 June 2018.

The operating loss before finance expense for the period amounted to €11,070,000 which includes acquisition expenses of €2,318,000, non-cash depreciation and amortisation of €289,000 and non-cash share-based payments of €197,000. This compares to an operating loss before finance expense for the period ended 30 June 2018 of €6,497,000, which includes non-cash depreciation and amortisation of €158,000 and non-cash share-based payment expenses of €382,000. Excluding acquisition expenses, depreciation, amortisation and share based payment expenses, the operating loss before finance costs for the six-month period to 30 June 2019 would have been €8,266,000 (2018: €5,957,000). The increase in operating loss before acquisition and finance expenses in the current period is primarily due to the ongoing rollout costs of the Phase 3 EASE study and the continued investment in the commercial and regulatory infrastructure necessary to continue to grow and expand Amryt's existing business and in anticipation of the acquisition of Aegerion.

The non-cash change in fair value of contingent consideration which arose as part of the acquisition of Amryt GmbH in 2016 amounted to €3,412,000 (H1: €4,154,000) during the period. The fair value of this contingent consideration was initially determined by discounting the contingent amounts payable to their present value at the date of acquisition. The discount component is being unwound as a non-cash financing charge in the statement of comprehensive income over the life of the obligation. This current non-cash financing charge of €3,412,000 reflects the impact of the discount component being unwound to the statement of comprehensive income in the six month period to 30 June 2019.

The loss on ordinary activities after the non-cash fair value of contingent consideration amounted to €15,730,000 (2018: €11,384,000).

As of 30 June 2019, the Group had cash on hand of €4.8 million (31 December 2018: €9.8 million). On 2 December 2016, Amryt entered into a five year €20 million debt facility agreement with the EIB. The first tranche of €10 million was drawn down in April 2017. The second tranche of €5 million was drawn down in September 2018 and the third and final tranche of €5 million was drawn down in April 2019. In conjunction with the acquisition of Aegerion the EIB facility was repaid on 24 September 2019.

To ensure good corporate governance practices are in place, the board adopts the ten principles as set out in the Quoted Companies Alliance ("QCA"). These principles serve as a framework for communicating

our governance practices to shareholders and the wider market. Our website and recently published admission document set out how we currently comply with the principles of the QCA code.

Outlook

The Board is very optimistic about the growth prospects for the Group particularly given the successful completion of the acquisition of Aegerion and as we look to the future as an Enlarged Group.

Lojuxta revenues were in line with the Board's expectations for the period and we are very encouraged with the momentum created in the first half of 2019, which continues into the second half. We believe there is a significant opportunity to further grow revenues given the latent and significant opportunities that exist in the territories we previously covered before the Acquisition and those in the new geographies that we have exposure to as a result of the Acquisition. The marketing and sale of Aegerion's metrelptin drug (marketed as Myalept in the US and Myalepta in the EU) and the complete lomitapide franchise (marketed as Juxtapid in the US/ ROW and Lojuxta in the EU) will be a core focus for us over the coming quarters and beyond.

Our active pipeline, including the Phase 3 clinical trial EASE for our lead development asset AP101, is progressing well. We expect the final patient to be enrolled by the end of 2019 with topline data expected in the first half of 2020. We estimate that the addressable market for AP101 is more than €1 billion.

With a relentless focus on product development, revenue expansion and the addition and integration of Aegerion into the Enlarged Group, we believe 2019 will be an exciting year of continued progress, success and growth for the Amryt.

The acquisition of Aegerion is truly transformational for Amryt. We believe that the Enlarged Group now has a differentiated, diverse, global offering of multiple commercial and development stage rare disease assets, including two high-value commercial assets with multiple development opportunities in complementary global markets.

Ray Stafford

Non-Executive Chairman

30 September 2019

Joe Wiley

CEO

30 September 2019

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

	Note	Unaudited 6 months to 30 June 2019 €'000	Unaudited 6 months to 30 June 2018 €'000	Audited 12 months to 31 December 2018 €'000
Revenue		**8,139**	7,020	14,454
Cost of sales		**(3,217)**	(2,711)	(5,298)
Gross profit		**4,922**	4,309	9,156
Research and development expenses		**(4,619)**	(4,240)	(9,049)
Administrative, selling and marketing expenses		**(8,858)**	(6,184)	(14,663)
Acquisition expenses		**(2,318)**	—	—
Share based payment expenses	3	**(197)**	(382)	(694)
Operating loss before finance expense		**(11,070)**	(6,497)	(15,250)
Change in fair value of contingent consideration	4	**(3,412)**	(4,154)	(8,934)
Net finance expense		**(1,234)**	(733)	(1,557)
Loss on ordinary activities before taxation		**(15,716)**	(11,384)	(25,741)
Tax on loss on ordinary activities		**(14)**	—	(36)
Loss for the period attributable to the equity holders of the Company		**(15,730)**	**(11,384)**	**(25,777)**
Exchange translation differences which may be reclassified through the profit and loss		**28**	(10)	(34)
Total other comprehensive profit/ (loss)		**28**	(10)	(34)
Total comprehensive loss for the period attributable to the equity holders of the Company		**(15,702)**	(11,394)	(25,811)
Loss per share:				
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (cent)	5	**(5.72)**	(4.14)	(9.38)

Consolidated Statement of Financial Position

As at 30 June 2019

	Note	Unaudited 30 June 2019 €'000	Audited 31 December 2018 €'000
Assets			
Non-current assets			
Intangible assets	6	**52,671**	52,695
Property, plant and equipment		**1,684**	960
Other non-current assts		**65**	130
Total non-current assets		**54,420**	53,785
Current assets			
Trade and other receivables		**5,897**	5,179
Inventories		**2,582**	1,868
Cash and cash equivalents		**4,771**	9,811
Total current assets		**13,250**	16,858
Total assets		**67,670**	70,643
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	7	**21,173**	21,173
Share premium	7	**57,334**	57,334
Other reserves		**(20,633)**	(20,858)
Accumulated deficit		**(76,610)**	(60,880)
Total equity		**(18,736)**	(3,231)
Non-current liabilities			
Contingent consideration	4	**44,763**	41,351
Long term loan	8	**22,479**	16,614
Leases due greater than 1 year		**437**	—
Deferred tax liability		**5,384**	5,384
Total non-current liabilities		**73,063**	63,349
Current liabilities			
Trade and other payables		**13,047**	10,525
Leases due less than 1 year		**296**	—
Total current liabilities		**13,343**	10,525
Total liabilities		**86,406**	73,874
Total equity and liabilities		**67,670**	70,643

Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	Note	Unaudited 6 months to 30 June 2019 €'000	Unaudited 6 months to 30 June 2018 €'000	Audited 12 months to 31 December 2018 €'000
Cash flows from operating activities				
Loss on ordinary activities after taxation		**(15,730)**	(11,384)	(25,777)
Finance expense		**1,234**	733	1,557
Depreciation and amortisation		**289**	158	310
Gain on disposal of fixed assets		**(16)**	—	—
Share based payment expense	3	**197**	382	694
Non-cash change in fair value of contingent consideration	4	**3,412**	4,154	8,934
Movements in working capital and other adjustments:				
Change in trade and other receivables		**(718)**	190	(450)
Change in trade and other payables		**2,541**	116	2,580
Change in inventories		**(713)**	(277)	(785)
Change in non-current assets		**65**	—	(130)
Net cash flow used in operating activities		**(9,439)**	(5,928)	(13,067)
Cash flow from investing activities				
Payments for property, plant and equipment		**(129)**	(34)	(68)
Payments for intangible assets	6	**—**	(91)	(131)
Cash inflow on sale of property, plant and equipment		**25**	—	—
Deposit interest received		**—**	5	5
Bank charges and interest paid		**(32)**	(7)	(18)
Net cash flow used in investing activities		**(136)**	(127)	(212)
Cash flow from financing activities				
Acquisition of Amryt GmbH – milestone payment	4	**—**	(2,000)	(2,000)
Increase in long term debt	8	**5,000**	**—**	5,000
Payment of leases		**(143)**	**—**	—
Interest paid on long term debt		**(284)**	(293)	(221)
Net cash flow from financing activities		**4,573**	(2,293)	2,779
Exchange and other movements		**(38)**	45	(201)
Net change in cash and cash equivalents		**(5,040)**	(8,303)	(10,701)
Cash and cash equivalents at beginning of period		**9,811**	20,512	20,512
Restricted cash at end of period		**132**	—	1,191
Cash at bank available on demand at end of period		**4,639**	12,209	8,620
Total cash and cash equivalents at end of period		**4,771**	12,209	9,811

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Note	Share capital €'000	Share premium €'000	Share based payment reserve €'000	Merger reserve €'000	Reverse acquisition €'000	Exchange translation reserve €'000	Accumulated deficit €'000	Total €'000
Balance at 1 January 2018 (Audited)		**21,173**	**57,334**	**4,755**	**35,818**	**(62,107)**	**22**	**(35,109)**	**21,886**
Loss for the year		—	—	—	—	—	—	(25,777)	**(25,777)**
Foreign exchange translation reserve		—	—	—	—	—	(34)	—	**(34)**
Total comprehensive loss		—	—	—	—	—	(34)	(25,777)	**(25,811)**
Transactions with owners									
Share based payments expenses		—	—	694	—	—	—	—	**694**
Share based payment expenses – lapsed		—	—	(6)	—	—	—	6	**—**
Total transactions with owners		—	—	688	—	—	—	6	**694**
Balance at 31 December 2018 (Audited)		**21,173**	**57,334**	**5,443**	**35,818**	**(62,107)**	**(12)**	**(60,880)**	**(3,231)**
Balance at 1 January 2019		21,173	57,334	5,443	35,818	(62,107)	(12)	(60,880)	**(3,231)**
Loss for the period		—	—	—	—	—	—	(15,730)	**(15,730)**
Foreign exchange translation reserve		—	—	—	—	—	28	—	**28**
Total comprehensive loss		—	—	—	—	—	28	(15,730)	**(15,702)**
Transactions with owners									
Share based payment expenses	**3**	—	—	197	—	—	—	—	**197**
Total transactions with owners		—	—	197	—	—	—	—	**197**
Balance at 30 June 2019 (Unaudited)		**21,173**	**57,334**	**5,640**	**35,818**	**(62,107)**	**16**	**(76,610)**	**(18,736)**

Share capital represents the cumulative par value arising upon issue of ordinary shares of 1p each and deferred shares of 29.4p each. In July 2019 the shareholders approved a resolution to cancel the deferred shares and to consolidate six ordinary shares into one new ordinary share.

Share premium represents the consideration that has been received in excess of the nominal value on issue of share capital.

Share based payment reserve relates to the charge for share based payments in accordance with International Financial Reporting Standard 2.

The reverse acquisition reserve arose during the period ended 31 December 2016 in respect of the reverse acquisition of Amryt Pharma plc by Amryt Pharmaceuticals DAC ("Amryt DAC"). Since the shareholders of Amryt DAC became the majority shareholders of the enlarged group the acquisition is accounted for as though there is a continuation of Amryt DAC's Financial Statements. The reverse acquisition reserve is created to maintain the equity structure of Amryt Pharma plc in compliance with UK company law.

The merger reserve was created on the acquisition of Amryt DAC. Consideration on the acquisition included the issuance of shares. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

The exchange translation reserve was created on the retranslation of non-Euro denominated foreign subsidiaries.

Accumulated deficit represents losses accumulated in previous years and the current period.

Notes to the Interim Results

1. General Information

Amryt Pharma plc (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. These results reflect the consolidated results of Amryt Pharma plc, the parent company of the Group during the period (company number: 05316808). A new holding company for the Group was inserted effective from 24 September 2019 (company number: 12107859), which was incorporated after the period end. The Company is quoted on the AIM market of the London Stock Exchange (ticker: AMYT.L) and the Euronext Growth market of the Irish Stock Exchange (ticker: AYP).

Amryt is a development and commercial stage pharmaceutical Company focused on acquiring, developing and delivering innovative new treatments to help improve the lives of patients with rare and orphan diseases.

2. Accounting Policies

Basis of preparation

The interim results of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on a historical cost basis, except for contingent consideration that have been measured at fair value. As is permitted by the AIM rules the Directors have not adopted the requirements of IAS 34 "Interim Financial Reporting" in preparing the consolidated financial statements. Accordingly, the consolidated financial statements are not in full compliance with IFRS and have not been audited or reviewed pursuant to guidance issued by the Auditing Practices Board. The accounting policies used in the preparation of the interim financial information are the same as those used in the Group's audited financial statements for the year ended 31 December 2018 and those which are expected to be used in the financial statements for the year ended 31 December 2019.

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.

Basis of consolidation

The consolidated financial statements comprise the Financial Statements of the Company and its subsidiaries for the period ended 30 June 2019. Subsidiaries are entities controlled by the Company. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over an investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intergroup balances and any unrealised gains or losses or income or expenses arising from intergroup transactions are eliminated in preparing the consolidated financial statements.

Basis of going concern

Having considered the Group's current financial position and cashflow projections, the directors believe that the Group will be able to continue in operational existence for at least the next 12 months from the date of approval of these consolidated financial statements and that it is appropriate to continue to prepare the consolidated financial statements on a going concern basis.

As part of their enquiries the Directors reviewed budgets, projected cash flows, and other relevant information for 12 months from the date of approval of the consolidated financial statements for the 6 months ended 30 June 2019.

A key consideration for the Directors is the impact on going concern of the recently announced acquisition with Aegerion. This acquisition represents a significant step forward for Amryt and is expected to create value for Amryt through enhanced scale of the combined group which is expected to drive revenues and deliver operational synergies through a combination of medical, commercial, clinical, development and regulatory infrastructure. In conjunction with the acquisition of Aegerion which was completed on 24 September 2019, the Company raised $60 million in new equity before costs.

Presentation of Balances
The Financial Statements are presented in Euro ('€') which is the functional and presentational currency of the Group. Balances in the Financial Statements are rounded to the nearest thousand (€'000) except where otherwise indicated.

The following table discloses the major exchange rates of those currencies utilised by the Group:

Foreign currency units to 1 €	**US$**	**£**	**CHF**	**SEK**	**NOK**	**DKK**
Average period to 30 June 2019	1.1312	0.8726	1.1298	10.4615	9.7410	7.4645
At 30 June 2019	1.1151	0.8840	1.1195	10.6196	9.7777	7.4672
Average year to 31 December 2018	1.1827	0.8853	1.1544	10.2639	9.6141	7.4506
At 31 December 2018	1.1357	0.8896	1.1330	10.3184	9.7277	7.4616
Average period to 30 June 2018	1.2113	0.8809	1.1672	10.1422	9.6526	7.4459
At 30 June 2018	1.1675	0.8769	1.1529	10.2943	9.5437	9.4429

(US$ = US Dollars; £ = Pounds Sterling, CHF = Swiss Franc, SEK = Swedish Kroner, NOK = Norwegian Kroner, DKK = Danish Kroner)

Adoption of new standards issued and effective from 1 January 2019
The following new standards, interpretations and standard amendments became effective for the Group as of 1 January 2019:

- IFRS 16 Leases
- Amendments to IFRS 9 Financial Instruments
- Amendments to IAS 19 Employee Benefits

The new standards, interpretations and standard amendments did not result in a material impact on the Group's results, with the exception of IFRS 16 which is detailed below.

IFRS 16 Leases
IFRS 16 replaces IAS 17 Leases. Amryt adopted IFRS 16 by applying the modified retrospective approach on the transition date of 1 January 2019. The Group applied the recognition exemption for both short-term leases and leases of low value assets. The Group did avail of the practical expedient not to separate non-lease components from lease. The right-of-use asset has been calculated as the lease liability at 1 January 2019 with no adjustment to opening retained earnings.

The adoption of IFRS 16 did not have a material impact on the Group's Consolidated Interim Financial Statements. The impact of the implementation of IFRS 16 on the Consolidated Interim Financial Statements is as follows:

Consolidated Statement of income

Operating costs (excluding depreciation) have decreased, as the Group previously recognised operating lease expenses in Administration, Selling and Marketing expenses. The Group's operating lease expense for the six months to June 2019 was €143,000.

Depreciation and finance costs have increased due to the capitalisation of the Groups' Right Of Use assets under IFRS 16 which are being depreciated over the term of the lease with an associated finance cost applied annual to the lease liability. The depreciation and finance charge for the six months ended 30 June 2019 amounted to €132,000.

Balance Sheet
The Group has identified minimum lease payments outstanding (including payments for renewal options which are reasonably certain to be exercised and has applied an appropriate discount rate to calculate the present value of the lease liability and right of use asset recognised in the consolidated Interim Balance Sheet. The discount rates applied were arrived at using a methodology to calculate the incremental borrowing rates across the Group.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and amounts reported in the Financial Statements and accompanying notes. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Summary of principal accounting policies
The principal accounting policies are summarised below. They have been consistently applied throughout the period covered by the Financial Statements.

Revenue recognition
Revenue arises from the sale of Lojuxta and Imlan. The Group sells direct to customers and also uses third parties in the distribution of the product to customers.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue from sale of goods
Imlan revenue is generally recognised at a point in time when control of the inventory is transferred, generally the date of shipment, consistent with typical ex-works shipment terms.

Lojuxta revenue is generally recognised at a point in time when control of the inventory is transferred to the end customer, generally on delivery of the goods.

Principal versus agent considerations

The Group enters into certain contracts for the sale of its Lojuxta product. This includes agreement with a third party to provide logistics, customer and commercial services i.e. supply chain function and agreements with distributors. The Group determined that it has control over the goods before they are transferred to the customers and has the ability to direct the use or obtain benefits hence is the principal on the contracts due to the following factors:

- The Group is primarily responsible for fulfilling the promise to provide the promised goods
- The Group bears the inventory risk before or after the goods have been ordered by the customer, during shipping or on return
- The Group has the discretion in establishing the selling price of the goods to customers. The distributors consideration in these contracts are either the margin fee or commission
- The Group is exposed to the credit risk for the amounts receivable from the customers.

Based on the above criteria, the Group recognises revenue on a gross basis. The costs associated with the delivery of such goods to customers i.e. the costs associated with the services provided by the distributors to import and deliver the goods are recognised in the cost of sales.

Financial instruments

Recognition and derecognition

Financial instruments are classified on initial recognition as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement. Financial instruments are initially recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, if any.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The Group does not have any financial assets categorised as FVTPL and FVOCI as at 30 June 2019 and 31 December 2018.

The classification is determined by both:

- The Group's business model for managing the financial asset
- The contractual cash flow characteristic of the financial asset

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and trade receivables fall into this category of financial instruments.

Cash and cash equivalents
Cash comprises cash on hand and bank balances. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Restricted cash
Restricted cash comprises current cash and cash equivalents that are restricted as to withdrawal or usage. Cash held by the Group's distribution partner for Lojuxta on behalf of the Group is treated as restricted cash in the Financial Statements.

Trade and other receivables
Trade and other receivables represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group assesses ECL based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities
Financial liabilities are categorised as 'fair value through profit or loss' or 'other financial liabilities measured at amortised costs using the effective interest method'.

Trade and other payables
Trade and other payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method except for short-term payables when the recognition of interest would be immaterial.

Interest bearing loans and borrowings
Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Loans and borrowings are subsequently carried at amortised cost using the effective interest method.

Contingent consideration
Contingent consideration arising as a result of business combinations is initially recognised at fair value using a probability adjusted present value model. Key inputs in the model include the probability of success and the expected timing of potential revenues. The fair value of the contingent consideration will be updated at each reporting date. Adjustments to contingent consideration are recognised in the consolidated statement of comprehensive income.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Inventories
Inventories are valued at the lower of cost or net realisable value. The costs are calculated according to the first in first out method (FIFO). Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Work in progress valuation is based on the stage of quality checks successfully performed during the production process. An inventory valuation adjustment is made if the net realisable value is lower than the book value. Net realisable value is determined as estimated selling prices less all costs of completion and costs incurred in selling and distribution.

Inventories held by third party supply chain partners are included in inventory totals when control has deemed to be transferred to the Group under the contract terms of the distribution agreement. The cost to acquire the inventory held by the supply chain partners is recognised as a liability of the Group.

Research and Development Expenses
In process R&D acquired as part of a business combination is capitalised at the date of acquisition. Research costs are expensed when they are incurred.

Factors which impact our judgement to capitalise certain research and development expenditure include the degree of regulatory approval for products and the results of any market research to determine the likely future commercial success of products being developed. We review these factors each year to determine whether our previous estimates as to feasibility, viability and recovery should be changed.

The assessment whether development costs can be capitalized requires management to make significant judgements. Management has reviewed the facts and circumstances of each project in relation to the above criteria and in management's opinion, the criteria prescribed for capitalising development costs as assets have not yet been met by the Group in relation to AP101 or AP103. Accordingly, all of the Group's costs related to research and development projects are recognised as expenses in the consolidated statement of comprehensive income in the period in which they are incurred. Management expects that the above criteria will be met on filing of a submission to the regulatory authority for final drug approval or potentially in advance of that on the receipt of information that strongly indicates that the development will be successful.

Business Combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is subsumed into goodwill. In the consolidated financial statements, acquisition costs incurred are expensed and included in general and administrative expenses.

To the extent that settlement of all or any part of the consideration for a business combination is deferred, the fair value of the deferred component is determined through discounting the amounts payable to their present value at the date of the exchange. The discount component is unwound as an interest charge in the consolidated statement of comprehensive income over the life of the obligation. Any contingent consideration is recognised at fair value at the acquisition date and included in the cost of the acquisition. The fair value of contingent consideration at acquisition date is arrived at through discounting the expected payment (based on scenario modelling) to present value. In general, in order for contingent consideration to become payable, pre-defined revenues and/or milestones dates must be exceeded. Subsequent changes to the fair value of the contingent consideration will be recognised in profit or loss unless the contingent consideration is classified as equity, in which case it is not remeasured and settlement is accounted for within equity.

When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to the consideration, identifiable assets or liabilities (and contingent liabilities, if relevant) are made within the measurement period, a period of no more than one year from the acquisition date.

Frequently, the acquisition of pharmaceutical patents and licenses is effected through a non-operating corporate structure. As these structures do not represent a business, it is considered that the transactions do not meet the definition of a business combination. Accordingly, the transactions are accounted for as the acquisition of an asset. The net assets acquired are recognised at cost.

Acquired Intangibles Assets
Acquired intangible assets outside business combinations are stated at the lower of cost less provision for amortisation and impairment or the recoverable amount. Acquired intangibles assets are amortised over their expected useful economic life on a straight-line basis. In determining the useful economic life each acquisition is reviewed separately and consideration given to the period over which the Group expects to derive economic benefit.

The useful life of acquired intangible assets is as follows:

- Software 5-10 years
- Website Development 5-10 years

Intangible assets acquired in 2016 as part of the acquisitions of Amryt GmbH and SomPharmaceuticals are currently not being amortised as the assets are still under development.

Factors which impact our judgement to capitalise certain research and development expenditure include the degree of regulatory approval for products and the results of any market research to determine the likely future commercial success of products being developed. We review these factors each year to determine whether our previous estimates as to feasibility, viability and recovery should be changed.

Taxes
Tax comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and taking into account any adjustments stemming from prior years. Deferred tax assets or liabilities are recognised where the carrying value of an asset or liability in the Statement of Financial Position differs to its tax base and is accounted for using the statement of financial position liability method. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Share based payments
The Group issues share options as an incentive to certain senior management and staff. The fair value of options granted is recognised as an expense with a corresponding credit to the share-based payment reserve. The fair value is measured at grant date and spread over the period during which the awards vest.

For equity-settled share-based payment transactions, the goods or services received and the corresponding increase in equity are measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If it is not possible to estimate reliably the fair value of the goods or services received, the fair value of the equity instruments granted as calculated using the Black-Scholes model is used as a proxy.

The Group may issue warrants to key consultants, advisers and suppliers in payment or part payment for services or supplies provided to the Group. The fair value of warrants granted is recognised as an expense. The corresponding credits are charged to the share-based payment reserve. The fair value is measured at grant date and spread over the period during which the warrants vest. The fair value is measured using the Black-Scholes model if the fair value of the services received cannot be measured reliably.

The estimate of the fair value of services received is measured based on Black Scholes model using input assumptions, including weighted average share price, expected volatility, weighted average expected life and expected yield. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility is based on the historic volatility (calculated based on the expected life of the options). The Group has considered how future experience may affect historical volatility.

Leases

The Group enters into leases for various types of assets, but principally relating to property in Ireland and Germany. The property leases have varying terms, renewal rights and escalation clauses. The Group also leases vehicles and equipment. The terms and conditions of these leases do not impose significant financial restrictions on the Group.

A contract contains a lease if it is enforceable and conveys the right to control the use of a specified asset for a period of time in exchange for consideration, which is assessed at inception. A right-of-use asset and lease liability are recognised at the commencement date for contracts containing a lease, with the exception of leases with a term of 12 months or less, leases where the underlying asset is of low value and leases with associated payments that vary directly in line with usage or sales. The commencement date is the date at which the asset is made available for use by the Group. The right of use asset recognised on commencement date is included in fixed assets in the consolidated financial statements.

The lease liability is initially measured at the present value of the future minimum lease payments, discounted using the incremental borrowing rate or the interest rate implicit in the lease, if this is readily determinable, over the remaining lease term. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgement in determining whether it is reasonably certain that a renewal, termination or purchase option will be exercised.

Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease.

After initial recognition, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future minimum lease payments or when the Group changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset. The right-of-use asset is initially measured at cost, which comprises the lease liability adjusted for any payments made at or before the commencement date, initial direct costs incurred, lease incentives received and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. The right-of-use asset is depreciated over the lease term or, where a purchase option is reasonably certain to be exercised, over the useful economic life of the asset in line with depreciation rates for owned property, plant and equipment. The right-of-use asset is tested periodically for impairment if an impairment indicator is considered to exist.

3. Share-based payments

Under the terms of the Company's Employee Share Option Plan, options to purchase 25,852,853 shares were outstanding at 30 June 2019. Under the terms of this plan, Options were granted to officers, consultants and employees of the Group at the discretion of the Remuneration Committee. There were 6,691,472 new share options granted to officers and employees during the 6 months ended 30 June 2019. There were no new share options granted during the year ended 31 December 2018.

The Company has issued warrants to key consultants, advisers and suppliers in payment or part payment for services or supplies provided to the Group. There were no warrants granted during the six months ended 30 June 2019 or the year ended 31 December 2018.

Each share option and warrant convert into one ordinary share of Amryt Pharma plc on exercise and are accounted for as equity-settled share-based payments. The options and warrants may be exercised at any time from the date of vesting to the date of their expiry. The equity instruments granted carry neither rights to dividends nor voting rights.

The terms and conditions of the grants are as follows, whereby all options are settled by physical delivery of shares:

Vesting conditions
The options vest following a period of service by the officer or employee. The required period of service is determined by the Remuneration Committee at the date of grant of the options (usually the date of approval by the Remuneration Committee) and it is generally over a three to four-year period. There are no market conditions associated with the share option vesting periods.

Contractual life
The term of an option is determined by the Remuneration Committee provided that the term may not exceed a period of seven to ten years from the date of grant. All options will terminate 90 days after termination of the option holder's employment, service or consultancy with the Group except where a longer period is approved by the Board of Directors. Under certain circumstances involving a change in control of the Group, the Remuneration Committee may accelerate the exercisability and termination of options.

The number and weighted average exercise price of share options and warrants per ordinary share is as follows:

	Share Options		**Warrants**	
	Units	**Weighted average exercise price**	**Units**	**Weighted average exercise price**
Balance at 1 January 2018	19,696,586	19.16p	23,103,481	24.74p
Granted	—	—	—	—
Lapsed	(191,455)	23.75p	(193,530)	112.00p
Outstanding at 31 December 2018	**19,505,131**	**19.20p**	**22,909,951**	**24.00p**
Exercisable at 31 December 2018	**7,964,434**	**19.47p**	**22,909,951**	**24.00p**
Balance at 1 January 2019	19,505,131	19.20p	22,909,951	24.00p
Granted	6,691,472	12.64p	—	—
Lapsed	(343,750)	48.00p	(20,836,696)	24.00p
Outstanding at 30 June 2019	**25,852,853**	**17.09p**	**2,073,255**	**24.00p**
Exercisable at 30 June 2019	**12,450,594**	**17.74p**	**2,073,255**	**24.00p**

The fair value is estimated at the date of grant using the Black-Scholes pricing model, taking into account the terms and conditions attached to the grant. There were 6,691,472 new share options or warrants granted in the 6 month period to 30 June 2019. There were no share options granted in 2018.

In July 2019 the shareholders approved a resolution to cancel the deferred shares and to consolidate six ordinary shares into one new ordinary share (note 7).

The following are the inputs to the model for the equity instruments granted in 2019:

	2019 Options Inputs	2019 Warrant Inputs	2018 Options Inputs	2018 Warrant Inputs
Days to Expiry	2,555	—	—	—
Volatility	27%	—	—	—
Risk free interest rate	0.83%	—	—	—
Share price at grant	12.64p	—	—	—

The share options outstanding as at 30 June 2019 have a weighted remaining contractual life of 5.14 years with exercise prices ranging from 15.5p to 25.9p (pre-share consolidation).

The warrants outstanding as at 30 June 2019 have a weighted remaining contractual life of 1.8 years with an exercise price of 24.0p (pre share consolidation).

The value of share options and warrants charged to the Statement of Comprehensive Income during the period is as follows:

	6 months to 30 June 2019 €'000	6 months to 30 June 2018 €'000	12 months to 31 December 2018 €'000
Share option expense	197	382	694
Total	**197**	**382**	**694**

4. Business Combinations and Asset Acquisitions

Acquisition of Amryt GmbH ("Birken")

Amryt DAC signed a conditional share purchase agreement to acquire Amryt GmbH on 16 October 2015 ("Amryt GmbH SPA"). The Amryt GmbH SPA was completed on 18 April 2016 with Amryt DAC acquiring the entire issued share capital of Amryt GmbH. The consideration comprises:

- Initial cash consideration of €1,000,000 (paid by Amryt DAC prior to its acquisition by the Company);
- Cash consideration of €150,000, due and paid on the completion date (18 April 2016);
- Milestone payments of:
  - €10,000,000 on receipt of first marketing approval by the EMA of Episalvan, paid on the completion date (18 April 2016);
  - Either (i) €5,000,000 once net ex-factory sales of Episalvan have been at least €100,000 or (ii) if no commercial sales are made within 24 months of EMA first marketing approval (being 14 January 2016), €2,000,000 24 months after receipt of such approval which was paid in January 2018 and €3,000,000 following the first commercial sale;
  - €10,000,000 on receipt of marketing approval by the EMA or FDA of a pharmaceutical product containing Betulin as its API for the treatment of Epidermolysis Bullosa (EB);
  - €10,000,000 once net ex-factory sales/net revenue in any calendar year exceed €50,000,000;
  - €15,000,000 once net ex-factory sales/ net revenue in any calendar year exceed €100,000,000;
- Royalties of 9% on sales of Episalvan products for 10 years from first commercial sale; and
- Shares in Amryt DAC that equated to a 30% equity shareholding prior to the acquisition of

Amryt DAC by the Company. The Amryt GmbH sellers received 37,048,622 in Consideration Shares (valued at the date of acquisition at €11.2 million) for their shareholding in Amryt DAC.

Fair Value Measurement of Contingent Consideration

Contingent consideration comprises the milestone payments and sales royalties detailed above. As at the acquisition date, the fair value of the contingent consideration was estimated to be €23,314,000. The fair value of the royalty payments was determined using probability weighted revenue forecasts and the fair value of the milestones payments was determined using probability adjusted present values. The probability adjusted present values took into account published orphan drug research data and statistics which were adjusted by management to reflect the specific circumstances applicable to the drugs acquired in the Amryt GmbH transaction. A discount rate of 28.5% was used in the calculation of the fair value of the contingent consideration and this was sense checked by management against the Implied Rate of Return ("IRR") on the project. The size of the market for the products under development provides a real opportunity to the Group to meet its forecast revenue targets and therefore the milestone targets which underpin the contingent consideration payments. At that time management anticipated that AP101 for EB would be ready to launch in 2019.

Amryt reviews the contingent consideration on a regular basis as the probability adjusted fair values are being unwound as financing expenses in the Statement of Comprehensive Income over the life of the obligation. Contingent consideration is reviewed on a bi-annual basis and is disclosed in the published interim results for the 6-month period to 30 June and the year end results to 31 December. The total non-cash finance charge recognised in the Statement of Comprehensive Income Statement for the period ended 30 June 2019 is €3,412,000 (30 June 2018: €4,154,000).

The contingent consideration balance at 30 June 2019 is €44,763,000 (31 December 2018: €41,351,000).

5. Loss per Share – Basic and Diluted

The weighted average number of shares in the Loss Per Share ("LPS") calculation, reflects the weighted average total actual shares of Amryt Pharma plc in issue at 30 June 2019.

Issued share capital – Ordinary Shares of £0.01 each

	Number of shares	Weighted average shares
1 January 2018	**274,817,283**	**223,075,123**
30 June 2018	**274,817,283**	**274,817,283**
31 December 2018	**274,817,283**	**274,817,283**
30 June 2019	**274,817,283**	**274,817,283**

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

	6 months to 30 June 2019	6 months to 30 June 2018	12 months to 31 December 2018
Loss after tax attributable to equity holders of the Company (€'000)	**(14,735)**	(11,384)	(25,777)
Weighted average number of Ordinary Shares in issue	**274,817,283**	274,817,283	274,817,283
Fully diluted average number of Ordinary Shares in issue	**274,817,283**	274,817,283	274,817,283
Basic and diluted loss per share (cent)	**(5.36)**	(4.14)	(9.38)

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 June 2019 totalled 27,926,108 (30 June 2018: 42,800,067) (31 December 2018: 42,415,082) and are potentially dilutive in the future.

In July 2019 the shareholders approved a resolution to cancel the deferred shares and to consolidate six ordinary shares into one new ordinary share (note 7).

6. Intangible Assets

	In process R&D €'000	Software €'000	Other €'000	Total €'000
Cost				
At 1 January 2018	52,515	8	87	52,610
Additions	—	—	131	131
Disposals	—	(1)	—	(1)
At 31 December 2018 (audited)	**52,515**	**7**	**218**	**52,740**
At 1 January 2019	52,515	7	218	52,740
Additions	—	—	—	—
At 30 June 2019 (unaudited)	**52,515**	**7**	**218**	**52,740**
Accumulated amortisation				
At 1 January 2018	—	4	—	4
Amortisation charge 2018	—	1	41	42
Amortisation charge on disposals	—	(1)	—	(1)
At 31 December 2018 (audited)	**—**	**4**	**41**	**45**
At 1 January 2019	—	4	41	45
Amortisation charge 2019	—	—	24	24
At 30 June 2019 (unaudited)	**—**	**4**	**65**	**69**
Net book value				
Net book value at 31 December 2018 (audited)	52,515	3	177	52,695
Net book value at 30 June 2019 (unaudited)	**52,515**	**3**	**153**	**52,671**

The Group reviews the carrying amounts of its intangible assets on an annual basis to determine whether there are any indications that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Impairment indications include events causing significant changes in any of the underlying assumptions used in the income approach utilised in valuing in process R&D. These key assumptions are: the probability of success; the discount factor; the timing of future revenue flows; market penetration and peak sales assumptions; and expenditures required to complete development.

7. Share capital – Company

Details of ordinary shares of 1p each issued are in the table below:

Date	Number of ordinary shares	Number of deferred shares	Total Share Capital €'000	Total Share Premium €'000
At 31 December 2018 and 30 June 2019	**274,817,283**	**43,171,134**	**21,173**	**57,334**

Share Capital
Share capital represents the cumulative par value arising upon issue of ordinary shares of 1p each and deferred shares of 29.4p each.

The ordinary shares have the right to receive notice of, attend and vote and general meetings and participate in the profits of the Company.

The deferred shares were issued as part of the reverse takeover in 2016 because the nominal value of the existing shares was above the trading price. As a result, a resolution was passed by the shareholders to reduce the nominal value of the existing ordinary shares substantially below their market value in order to provide the Company with the ability to make future share issues. Consequently, a share reorganisation was implemented such that each holding of every 8 or more existing shares were consolidated into one new ordinary share and one deferred share. The deferred shares had no right to receive notice of general meetings nor any right to attend or vote at general meetings and no right to participate in the profits of the Company.

At the Company's Annual General Meeting held in July 2019, the shareholders of the Amryt approved a resolution to authorise the Company to purchase and cancel 43,171,134 deferred ordinary shares in the capital of the Company. In addition, the shareholders gave authority to the Company to undertake a consolidation of existing ordinary shares in the capital of the Company under which every six existing ordinary shares will be consolidated into one new ordinary share. The purpose and rationale for this capital reorganisation was to reduce the total number of shares in issue to increase the value of the Company's shares to a figure more appropriate for a listed company in light of the proposed acquisition of Aegerion Pharmaceuticals, Inc. and associated increase in scale of the enlarged group. The Deferred Shares are effectively valueless as they do not carry any rights to vote nor any dividend rights, are not listed to be traded on the AIM or Euronext Markets and are not transferrable. As such, the cancellation of the Deferred Shares has no impact on shareholders.

Share Premium
Share premium represents the consideration that has been received in excess of the nominal value on issue of share capital.

Share based payment reserve
Share based payment reserve relates to the charge for share based payments in accordance with International Financial Reporting Standard 2.

Merger reserve
The merger reserve was created on the acquisition of Amryt DAC by Amryt Pharma plc in April 2016. Ordinary shares in Amryt Pharma plc were issued to acquire the entire issued share capital of Amryt DAC. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

8. Long term loan

	30 June 2019 €'000	31 December 2018 €'000
Long term loan	**20,000**	15,000
Long term loan interest	**2,479**	1,614
Long term loan and interest	**22,479**	16,614

In December 2016, Amryt DAC entered into a €20m facility agreement ("facility") with the EIB on attractive terms for the Group. The facility was significant because it provides non-dilutive funding that secures the Group's near and mid-term funding needs for its lead product, AP101.

The facility was split into three tranches, with €10 million available immediately and two further tranches of €5 million available upon the achievement of certain milestones. In April 2017, the Group

drew down the first tranche of €10 million. In October 2017, the terms of the second tranche of €5 million were amended by the EIB resulting in the Group being given option to draw this amount down on demand. The Group drew down this second tranche of €5 million in September 2018. In December 2018, the terms of the third tranche were amended by the EIB to give the Group the option to draw down this final tranche on demand on the condition that the EASE Phase 3 trial interim efficacy results were positive. In January 2019, the Group received the results of this unblinded interim efficacy analysis. The Independent Monitoring Committee recommended that the trial should continue with a modest increase in patients and following this positive result the final tranche of €5 million was drawn down in February 2019.

The facility was secured over the Intellectual Property assets of the Group and there was also a negative pledge whereby Amryt cannot permit any security to be granted over any of its assets over the course of the loan period.

The facility had a five-year term from the date of drawdown for each tranche. The facility had an interest rate of 3% to be paid on an annual basis, the first instalment of short-term interest on the €10 million tranche 1 was paid in April 2018 and the second annual instalment paid in April 2019. No short term interest has been paid to date on tranche 2 and tranche 3 of the loan. The first interest payment on tranche 2 and tranche 3 was due for payment in September 2019 and February 2020, respectively. A further annual fixed rate of 10% is payable together with the outstanding principal amount on expiry of each tranche in the facility.

At 30 June 2019, the Group has short term interest payable accrued amounting to €263,000 (31 December 2018: €279,000) and long-term interest payable of €2,479,000 (31 December 2018: €1,614,000) which represents the present value of the long-term interest accrued but not payable until each tranche matures. Tranche 1 matures in April 2022, tranche 2 matures in September 2023 and tranche 3 matures in February 2024.

On 24 September 2019, in conjunction with the acquisition of Aegerion, the EIB facility was repaid.

9. Leases

IFRS 16 Leases disclosures:

	Land & Buildings €'000	Other €'000	Total €'000
Leased right-of use assets			
At 30 June 2019 (unaudited)			
At 1 January 2019, net carrying amount	—	—	—
Effect of adopting IFRS 16	725	98	**823**
Additions at cost	45	—	**45**
Depreciation charge for the period	(108)	(16)	**(124)**
At 30 June 2019, net carrying amount (unaudited)	**662**	**82**	**744**
Lease liabilities			
At 30 June 2019 (unaudited)			
At 1 January 2019	—	—	**—**
Effect of adopting IFRS 16	725	98	**823**
Addition of right-in-use assets	45	—	**45**
Payments	(125)	(18)	**(143)**
Discount unwinding	7	1	**8**
At 30 June 2019 (unaudited)	**652**	**81**	**733**

10. Copy of the Interim Report

Copies of the Interim Report are available to download from the Company's website at www.amrytpharma.com

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George Hampton – Non-executive Director
Alain Munoz - Non-executive Director
Don Stern - Non-executive Director
Patrick Vink - Non-executive Director
Steve Wills - Non-executive Director

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