AMRYT
PHARMA

Amryt Pharma plc

(formerly Fastnet Equity Plc)

Annual Report

Period ended 31 December 2015

Building an Orphan Drug Company

AMRYT PHARMA

Our Business

Amryt is a New Orphan Drug Company

BIRKEN

- Based in Germany
- €54m invested by Software-AG Stiftung prior to the acquisition of Birken by Amryt
- Product: Episalvan (AP101) approved in Europe for the treatment of partial thickness wounds in adults – January 2016
- Orphan Drug Designation in US and EU for the treatment of Epidermolysis Bullosa

Som pharmaceuticals SA

- Based in Switzerland
- Founded by lead developer of Sandostatin® at Novartis - $1.65 billion orphan disease drug
- Developing next generation therapy for acromegaly and Cushing's Disease
- Product: AP102

Contents

Our Focus

Amryt Pharma is Focused on Rare/Orphan Diseases

Singular Strategic Focus

- ❖ Amryt is committed to the development and commercialisation of medicines to treat patients with rare/orphan diseases
- ❖ Lead product has already been approved in Europe for the treatment of partial thickness wounds in adults and will also be developed as a treatment for Epidermolysis Bullosa
- ❖ Earlier stage opportunities in Acromegaly and Cushing's disease

Orphan Disease Represents a Major Market Opportunity

- ❖ Worldwide orphan drug sales forecast to total $176bn (CAGR 2014 to 2020:+10.5%)
- ❖ Orphan drugs set to be 19.1% of worldwide prescription sales by 2020

Develop Portfolio of High Value Therapies to Patients, Physicians and Payers

- ❖ Focus on orphan areas with large and unmet medical need with aim of radically improving patient lives
- ❖ Develop diversified pipeline of therapies from earlier stage to late stage/commercial

Investment Highlights

Overview

- ❖ Late stage European orphan drug company
- ❖ Part of an exclusive group on AIM with an approved drug
- ❖ Strong management team and board with excellent track record

Risk Mitigation

- ❖ Experienced team with significant experience in orphan diseases
- ❖ Sustainable core business with already approved product
- ❖ Episalvan approval should reduce the risk in getting approval in EB in Europe that unlocks significant upside
- ❖ Multiple products for multiple indications diversifies product risk

Already Generating Revenues

- ❖ Existing commercial stage dermaceutical range with partnering opportunities providing revenue upside
- ❖ Potential to launch recently approved Episalvan product in EU which would further drive revenue growth
- ❖ Transformational Episalvan opportunity in est. $1.5 billion EB market with phase 3 data anticipated in mid 2018
- ❖ Earlier stage opportunities in Acromegaly and Cushing's disease

Strategic Report: Chairman's Statement

Harry Stratford OBE

Introduction

I am pleased to present the financial statements of Amryt Pharma plc (the "Company" or "Amryt") covering the nine months ended 31 December 2015. The last 15 months have been truly transformational for the Company. Having being mandated by the shareholders of the Company to exit the oil and gas industry and pursue opportunities in the healthcare sector the Company successfully completed the acquisition of Amryt Pharmaceuticals DAC which through its wholly owned subsidiaries Birken AG ("Birken") and SomPharmaceuticals ("SOM") have a revenue generating cosmetic product, an EU approved drug, and are developing other products that offer significant potential in the orphan drug space.

Reverse Takeover of Fastnet Equity plc by Amryt Pharmaceuticals DAC

Following a general meeting of the Company on 28 August 2015, Fastnet Oil & Gas plc shareholders approved a fundamental change in business and the implementation of a new investing policy focussed on acquiring businesses in the healthcare sector ("Investing Policy"). During this process, in December 2015, I was appointed to the Board to add my sectoral experience and to help guide the Company in its new direction. Before the period end 2015, the demerger of the residual oil and gas operations was completed opening the way for all the Company's resources to be dedicated to the successful implementation of the Investing Policy. The Board assessed numerous opportunities in order to identify a shareholder accretive deal and this successfully culminated in the reverse takeover of Fastnet Equity plc by Amryt Pharmaceuticals DAC, which the Company's shareholders approved at a general meeting on 18 April 2016. The Company was renamed Amryt Pharma plc on the same date.

Amryt will focus on building, developing and subsequently monetising a commercially attractive pipeline of drug candidates focused on treating orphan diseases. The orphan drug sector is a growing and commercially attractive segment of the pharmaceutical market, with worldwide orphan drug sales forecast to total US$176 billion and account for 19.1% of global prescription sales by 2020. The acquisition of Birken and SOM has secured access to promising potential orphan drug candidates for epidermolysis bullosa ("EB"), acromegaly and Cushing's disease.

In January 2016, our lead product, Episalvan®, was approved by the European Commission for the treatment of partial thickness wounds ("PTW") and has been granted US and EU Orphan Drug Designation for EB. The current EU approval of Episalvan® for PTW, in the Board's view, substantially de-risks the future development and approval of the product for the treatment of EB, a rare and distressing genetic skin disorder affecting young children for which there is currently no treatment. This approval would unlock a significantly larger worldwide market estimated to be worth US$1.5 billion per year. The funds raised as part of the reverse acquisition process will help accelerate the Phase III EB trials which are due to start in Q1 2017. Other opportunities exist for the Company both through the development of earlier stage products for the treatment of acromegaly and Cushing's disease.

Amryt Team

The Board has undergone significant change since the reverse takeover by Amryt Pharmaceuticals DAC and I'd like to thank Michael Nolan and Michael Edelson, who departed as directors upon the completion of the reverse takeover, for their invaluable work with me on Fastnet Equity plc and also for their work over the years as part of the old oil and gas business. Amryt's new Board has significant healthcare and public company experience and working alongside me are:

- Joseph Wiley, the CEO of Amryt and founder of Amryt Pharmaceuticals DAC, has spent over 20 years in the healthcare sector, having initially trained as a medical doctor and subsequently worked in both healthcare investment and operational roles in the pharmaceutical industry.
- Rory Nealon, the CFO/COO of Amryt, is a qualified chartered accountant with over 15 years' experience at CFO/COO level in listed businesses, 13 of which are in the healthcare industry.
- Ray Stafford was previously Executive Vice President of Global Marketing for Forest Laboratories which was listed on NYSE prior to being acquired for c. $28 billion.
- James Culverwell is an expert on the pharmaceutical industry and was previously head of European pharmaceutical equity research at Merrill Lynch in London.
- Cathal Friel, who continues as a director, was the founder of Fastnet Oil & Gas plc and of Raglan Capital Limited and has considerable corporate finance and entrepreneurial experience.

Strategic Report: Chairman's Statement continued

The Board's depth of skills and experience will be of considerable value as Amryt continues to develop and grow.

I am also delighted to welcome Michele Bellandi to the Amryt executive team as Chief Commercial Officer. Michele joins us from Shire where he was the head of commercial operations for Europe. His depth of experience in the commercialisation of orphan products is a significant asset to the Company.

On behalf of the Board, I would like to thank all the employees of Amryt, led by Joseph Wiley and his executive team, for their commitment and contribution and look forward to an exciting future as Amryt delivers on its strategy.

Orphan Drug Opportunity

The Board believes that the orphan drug sector represents a significant opportunity for Amryt. Currently there are 7,000 orphan diseases, which affect 1 in 10 of the global population. Drugs with orphan designation are usually fast-tracked to market. The lower Phase III trial costs, smaller trial sizes, higher price point and long term marketing exclusivity granted in both the EU and US makes it a uniquely attractive market segment. This is reflected in the forecasted sector growth figures with expected prescription sales to total US$176 billion by 2020 accounting for 19.1% of all worldwide prescription sales. Amryt is well positioned to benefit from this forecasted growth through the medium term development of its EU and US orphan drug designated Episalvan.

Corporate and Financial

The results for the current period relate to the exit of the business from the oil and gas sector. During the period the Board significantly reduced operational costs to preserve funds and give the Company the best chance possible to secure an attractive new business opportunity for shareholders. Going forward, the Company has no further exposure to the past oil and gas operations and the management team are free to devote their time and attention to the successful development of its current product portfolio. The residual oil and gas assets have been transferred to a separately managed, low cost trust structure designed to allow the search for a buyer of the assets to continue. This presents shareholders of the Company, as at close of business on 16 December 2015, with an opportunity to benefit if a buyer for the assets can be secured.

In April 2016, as part of the reverse takeover, the Company successfully raised £10 million (c.€12.6 million) before costs which will allow the Company to progress its strategic objectives, including the start of the Phase III trials for EB. Through an 8 for 1 share reorganisation and the issue of new shares on the re-admission to trading on AIM and ESM the Company now has 208,339,632 new ordinary shares of 1p in issue.

Outlook

The Board believes that the orphan drug sector offers significant value creation opportunities for Amryt. With an exciting product portfolio targeting a large, growing market and a strong, experienced team, the Company is well placed for growth and to realise its vision of becoming a significant player in the orphan disease market.

The Board is excited by the Company's prospects and is confident of its ability to create shareholder value, I look forward to updating you on our progress over the coming months.

Harry Stratford
Non-executive Chairman
8 June 2016

Strategic Report: Amryt Pharma Overview

The Creation of Amryt Pharma

Amryt Pharmaceuticals DAC was incorporated in August 2015 as a platform to acquire, build, develop and subsequently monetise a pipeline of patent protected, commercially attractive, proprietary drug candidates targeting best-in-class performance chosen to meet the Orphan Drug Designation criteria. In line with its strategy, Amryt Pharmaceuticals DAC acquired the entire issued share capital of each of Birken AG ("Birken") and SomPharmaceuticals ("SOM"). The acquisition of these companies was completed on the 19 April 2016, the same day that the reverse takeover of Fastnet Equity plc was completed. The enlarged Company was renamed Amryt Pharma plc ("Amryt") and additional funding of £10 million (c.€12.6 million) before costs was secured as part of the readmission process.

Amryt's Product Portfolio

Amryt will utilise the proceeds of the placing to primarily focus on the opportunity presented by the orphan drug product for the treatment of Epidermolysis Bullosa ("EB"). The estimated US$1.5 billion market for EB is a particularly focus for the Company and the Group's lead product, Episalvan, has already secured an EU approval for the treatment of partial thickness wounds ("PTW"), which the Company believes is a potentially predictive model for EB.

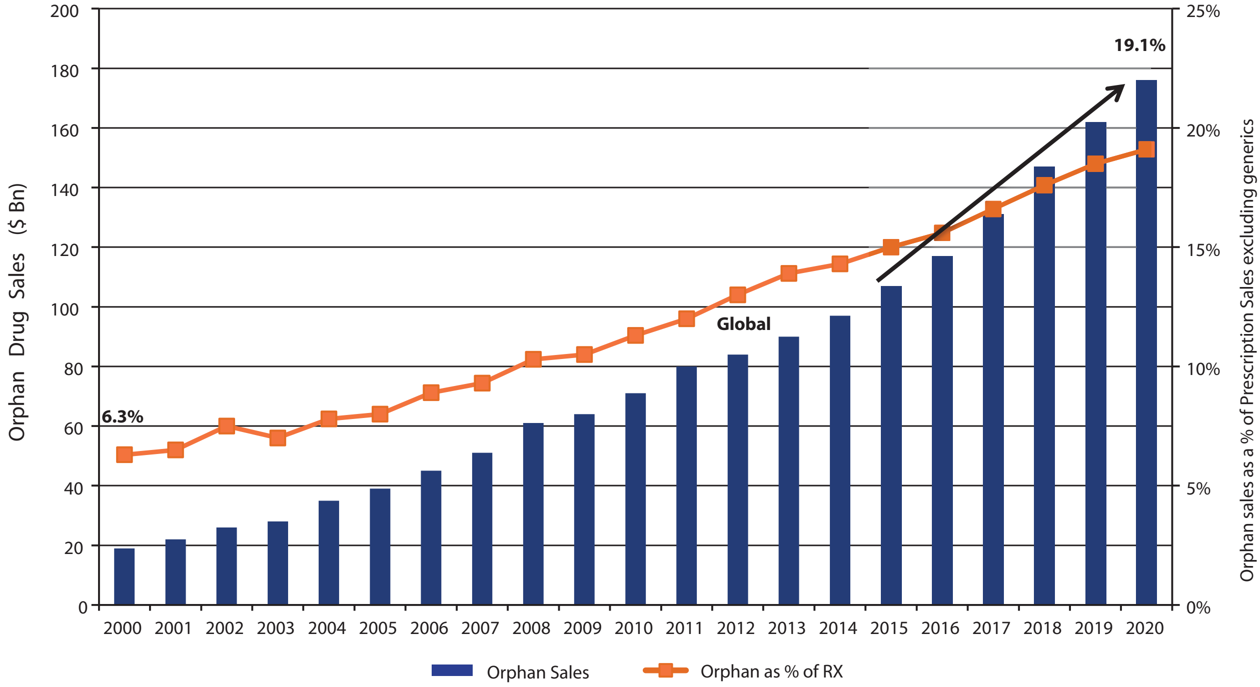
Episalvan and the Treatment of EB

There remains a significant unmet need in EB with, as of yet, no specific approved therapy available. Four approaches have shown early promise in the treatment of EB: gene therapy, fibroblast therapy, bone marrow therapy and protein therapy. However, all of these approaches are still many years away from the market and would need to undergo extensive evaluation in clinical trials over a number of years. Episalvan has been developed as a treatment for the symptoms of EB and, as such, will not be curative but rather accelerate wound healing in these patients, with additional potential benefits on pain, itch and long term outcomes. There are estimated to be c.35,000 patients in Europe and c.30,000 in the US with EB. The Board expects to begin a Phase III study in EB in Q1 2017, with headline data available at the end of H1 2018.

The Orphan Drug Market

The Board believes that the Orphan Drug market represents a significant opportunity. Worldwide orphan drug sales are forecast to total US$176bn (CAGR 2014 to 2020: +10.5%) with Orphan Drugs set to be 19.1% of worldwide prescription sales by 2020. There are currently 7,000 orphan diseases with 1 in 10 of the world's population suffering from an orphan disease.

Global Orphan Drug Sales & Share of Prescription Drug Market



(Source: Evaluate Pharma as of 17 July 2015).

Strategic Report: Amryt Pharma Overview continued

The US Orphan Drug Act of 1983, which was followed by legislation implementing similar provisions in Europe, introduced a number of financial incentives (including a period of market exclusivity after approval, as well as R&D grants and tax credits) to promote R&D in these typically underserved patient populations. In the US an Orphan Drug benefits from seven years of market exclusivity post approval for an orphan indication, while in Europe an Orphan Drug benefits from a ten year period of exclusivity. In addition to the financial incentives offered by regulators, the market for Orphan Drugs often has a number of attractive characteristics including:

- free scientific advice and the waiver of regulatory fees, with Phase III trials costing, on average, 50% less;
- a limited range of alternative drugs enabling companies to charge sustainable premium prices justified by the need to recoup development costs; and
- small patient populations that are generally accessed through a limited number of channels enabling small companies like Amryt to use the specialty pharma model to market their products.

From 1983 to 2014 the number of approved Orphan Drugs in the US increased from 38 to 373. The Board believes this is a consequence of the regulatory support and incentives in place. The increase of approved Orphan Drugs is reflected in sales growth and share of the prescription drug market.

Amryt has the following key strengths:

- An approved drug – Amryt's lead drug, Episalvan, received formal marketing approval from the European Commission on 14 January 2016 for the treatment of PTW in adults.
- Significant market upside in EB – Episalvan has successfully completed a Phase IIa study in ten EB patients (data from 12 wounds), in which Episalvan demonstrated significantly faster healing over 14 days of treatment for recent wounds and 28 days of treatment for chronic wounds compared with standard of care therapy. The Board intends to seek approval for Episalvan to treat EB in the EU and the US. The Board estimates the global EB market to be worth approximately US$1.5 billion per annum.
- Highly experienced management team – the Board and senior management is comprised of experienced industry participants.
- Attractive opportunity in acromegaly/Cushing's disease – The Board estimates the acromegaly and Cushing's disease markets to be in excess of US$1.15 billion per annum in aggregate.
- Business model offers an attractive risk/reward profile – Amryt's existing Imlan product line, which generated c.€1 million in gross revenues in 2015, and the recent approval of Episalvan should appreciably lower the risk profile of the Group whereas the opportunity in the EB and acromegaly/Cushing's disease markets offers significant upside potential. Furthermore, the Board believes that the risks associated with obtaining regulatory approval in EB in Europe have been potentially reduced following the recent approval of Episalvan for the indication of PTWs in adults in Europe.

Strategic Report: Operations Review

During the period under review Fastnet Oil & Gas plc ("Fastnet") held oil and gas exploration assets in offshore Morocco, the Foum Assaka Licence, ("Foum Assaka"), and offshore Ireland, a portfolio of licensing options in the Celtic Sea (the "Celtic Sea Assets"). The assets were held in two separate subsidiaries being Pathfinder Hydrocarbon Ventures Limited ("PHVL"), in respect of Foum Assaka and Fastnet Oil and Gas (Ireland) Limited ("FOGI") in respect of the Celtic Sea Assets.

Fundamental Change in Industry

Commencing in Q4 2014, Fastnet undertook a detailed asset review of its oil and gas portfolio in light of the rapidly changing economic conditions in the oil and gas sector ("Asset Review"). The purpose of the Asset Review was to ensure that Fastnet's corporate strategy to create shareholder value by growing Fastnet's business and monetise its assets remained on track.

As part of the Asset Review in the period from December 2014 to mid 2015 Fastnet significantly reduced operational costs but the economic conditions in the oil and gas sector made it impossible for Fastnet to find partners to carry, with acceptable terms and conditions, some or all of Fastnet's exploration costs on its oil and gas assets going forward. During 2015 Fastnet conducted detailed due diligence on a broad range of merger and acquisition opportunities in the oil and gas sector. However, Fastnet was not able to identify opportunities in the oil and gas sector, which would have created value for shareholders and therefore would have been a suitable use of Fastnet's available cash resources. In light of these circumstances Fastnet determined that it was not in the best interests of shareholders to either pursue merger and acquisition opportunities in the oil and gas sector or expend further resources on Fastnet's existing oil and gas assets.

Following a general meeting of Fastnet held on 28 August 2015, the Board was mandated to implement an investing policy focussed on acquiring companies or businesses in the healthcare sector ("Investing Policy"). On the same date the Company's name was changed its name to Fastnet Equity plc.

Demerger of Oil and Gas Assets

Pursuant to the Investment Policy the Company's oil and gas assets were transferred into a new company named Fastnet Hydrocarbons Limited ("FHL"), to ring-fence the assets in a trust structure designed to allow the search for a buyer to continue separately to the ongoing operations of the Company. FHL acquired for an aggregate sum of £1, the entire issued share capital FOGI and PHVL The shares in FHL have been transferred into a bare trust ("Trust") established for the benefit of shareholders on the register of the Company as at the close of business on 16 December 2015 (the "Beneficiaries"), pro rata to their shareholdings in Fastnet Equity plc at that date. Cathal Friel has been appointed as a director of FHL.

The Company has made an unsecured 4 year term loan of an aggregate of €660,000 to FOGI and PHVL at an annual rate of interest of 4 percent above LIBOR in order that those entities are able to meet their respective obligations under the existing oil and gas licences and to facilitate an orderly winding down of FOGI and PHVL.

To the extent any future value is realised from the oil and gas assets, the trustees of the Trust will arrange for any distributions to be paid to the Beneficiaries of the Trust. The terms of the loan require it to be settled in full, including all principal and accrued interest before any distributions are made to the Beneficiaries of the Trust.

The day to day operations and management of the Trust and FHL are run and controlled entirely separately to the remaining operations of Amryt. Amryt no longer has any ongoing interest or further cost exposure in respect of the Company's past oil and gas operations. In the current period all oil and gas assets, to the extent that they had not already been impaired were written down in the books of the Company and all past oil and gas operations have been reclassed as discontinued. A total loss in the current period in relation to these discontinued operations was €1,173,000 (31 March 2015: €34,099,000). The current period loss includes a full provision for the €660,000 loan advanced as part of the demerger of the oil and gas assets. The Board view this loan as being a cost of the orderly wind down of the old oil and gas operations and views the likelihood of any funds being returned to the Company on the successful completion of a sale to be remote.

Strategic Report:
Risks and Uncertainties

In the current reporting period the Group was subject to various business risks derived from oil and gas exploration which is inherently costly and risky. The success of the Group in that industry was dependent on its ability to engage in appropriate exploration projects and to attract sufficient funding and/or farm-outs to successfully develop the projects. Following the approval of the Investing Policy and the post period end completion of the reverse takeover of the Company by Amryt Pharmaceuticals DAC the Company is now subject to new additional risk factors relating to the business and operations of the Company in the healthcare industry.

The success of the Company will depend on its ability to engage in appropriate product selection and to attract sufficient funding to successfully develop these products. The following tables summarises the principal risks and uncertainties of the Group:

Risk	Details	Mitigation
Organisational Risk	The Group is dependent on the experience and skills of the executive Directors and senior management to successfully execute its strategy; the loss of such key contributors would present a risk to the business. The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Finding and hiring any additional personnel and replacements could be costly and might require the Group to grant significant equity awards or other incentive remuneration, which could adversely impact its financial results.	The Board believes that the senior management team is appropriately structured for the Group's size and is not overly dependent upon any particular individual. The Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them. Staffing levels, notice periods and contingent arrangements are kept under regular review to ensure that they are appropriate to maintain business continuity. Remuneration packages and staff rewards are reviewed to encourage the long-term maintenance of staff and to align incentivisation with company objectives.
Supplier Risk	The Group utilises a single third party source provider in relation to the provision of cut birch cork, a key ingredient in the active pharmaceutical ingredient ("API") of Episalvan. Loss or disruption to the relationship with this supplier could compromise the Group's ability to produce Episalvan for commercial sale.	A breakdown in relationship is deemed unlikely as the Group is the sole customer of the supplier. The risk has been further mitigated by stockpiling 12 months' supply of raw materials.
Competition Risk	The biotechnology and pharmaceutical industries are very competitive. The Group's competitors include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources, such as larger research and development staff. The Group's competitors may succeed in developing, acquiring or licensing drug product candidates that are earlier to market, more effective or less costly than any product candidate which the Group is currently developing or which it may develop and this may have a material adverse impact on the Group.	The Group seeks to develop its products to ensure they are competitive and monitors its intellectual property rights to identify and protect against any infringements. The Group's selection criteria for products includes potential for Orphan Drug Designation, market opportunity, competitive profile as a stand-alone opportunity and size and complexity of clinical trials.

Risk	Details	Mitigation
Development Risk	The Group's has a number of drug candidates in various stages of clinical development. Industry experience indicates that there may be a high incidence of delay or failure to produce valuable scientific results in relation to the present development pipeline. Clinical trials are expensive, time consuming and difficult to design and implement and involve uncertain outcomes. Furthermore, results of earlier pre-clinical studies and clinical trials may not be predictive of results of future pre-clinical studies or clinical trials.	The Group continually seeks to manage this risk by engaging personnel and consultants with the technical skills to advance the Group's development projects. In addition the Group aims to bring in sufficiently qualified research and development partners with expertise in the biopharmaceutical sector.
Regulatory Risk	The regulatory approval processes of the EMA, FDA and other comparable regulatory agencies may be lengthy, time-consuming and the outcome is unpredictable. The Group's future success is dependent upon its ability to develop successfully, obtain regulatory approval for and then successfully commercialise one or more of its product candidates. There can be no assurance that any of the Group's product candidates will be successful in clinical trials or receive regulatory approval. Applications for any of the Group's product candidates could fail to receive regulatory approval for many reasons specifically the Group has had limited interaction with the FDA to date and the outcome of any future planned interactions with regards the planned study in EB are uncertain. Approval of clinical trial design by one agency does not guarantee in any way approval by a different agency. In addition positive Phase III data does not guarantee that a product will be given marketing approval in any jurisdiction.	The Board and management team have a broad network of industry contacts which include experienced advisers who are engaged to ensure that best practice industry practices are observed and all legal compliance is up to date and in order. In addition the Group conducted detailed due diligence on the post period end acquisitions and any future acquisition, would be similarly assessed before the Group proceeds with any contemplated transaction. The Board feels that the current EU approval of Episalvan for PTW de-risks the future development and approval of the product for the treatment of EB in Europe.

Strategic Report: Risks and Uncertainties continued

Risk	Details	Mitigation
Commercial Risk	Even if the EMA, FDA or any other comparable regulatory agency approves the marketing of any product candidates that the Group develops there is no guarantee of commercial success. Physicians, healthcare providers, patients or the medical community may not accept or use the products. Efforts to educate the medical community and third-party payers on the benefits of the Group's product candidates may require significant resources and may not be successful.	The management team and Board have an excellent track record of identifying commercially successful products.
Funding Risk	Significant funds are required to continue the development of the Group's product portfolio. The Group will likely need to raise additional funding to undertake development work beyond that being funded as part of the post period end placing. There is also no certainty that any additional funds raised will be possible at all or on acceptable terms. Debt financing, if available, may place restrictions on the financial operating activities of the Group. If the Group is unable to obtain additional financing as required, it may be required to reduce the scope of its operations.	The Group continually seeks to manage this risk by controlling its funding and financing risk and reviewing methods of securing additional capital including licensing deals and venture debt. The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Working capital forecasts that include sensitivity analysis are prepared to ensure the Group has sufficient funds to complete contracted work commitments.
Financial Risk	The Group's operations expose it to financial risks the most significant ones being market risk and credit risk. **Market risk** Market risk arises from the use of interest bearing financial instruments and represents the risk that future cash flows will fluctuate as a result of changes in interest rates. **Credit risk** Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss. Credit risk arises from exposure via cash deposits with the Company's bankers.	**Market risk** It is the Company's policy to ensure that it enters into significant contracts in its functional currency whenever possible and to maintain the majority of cash balances in the functional currency of the Company. **Credit risk** For bank deposits, the Company only uses recognised banks with medium to high credit ratings.

The Strategic Report on pages 2 to 10 was approved by the board on 8 June 2016 and signed on its behalf by:

Rory Nealon
Director

This page intentionally left blank

Board of Directors

Harry Stratford – Non-Executive Chairman

Harry Stratford has over 40 years' experience in the pharmaceutical industry and has built two successful publicly listed pharmaceutical companies. Mr Stratford founded Shire Plc in 1986 and was CEO for almost a decade. Shire Plc grew from humble beginnings to be one of Europe's largest specialty pharmaceutical companies and its stock is a constituent of the FTSE100 index. Mr Stratford then went on to be founder, CEO and Executive Chairman of Prostrakan Plc, another international specialty pharmaceutical company, which was subsequently acquired by Kyowa Hakko Kirin of Japan in 2011.

Mr Stratford holds a BSc. in Chemistry from the University of London and was awarded an OBE in the 2007 New Year's Honours list for his contribution to the Scottish Life Sciences Industry.

Joseph Wiley – CEO

Joseph Wiley founded Amryt Pharmaceuticals DAC and is a non-executive director of NASDAQ listed Innocoll AG. Mr. Wiley has over 20 years of experience in the pharmaceutical, medical and venture capital industries. Mr Wiley opened and led Sofinnova Ventures' European office. He was previously a medical director at Astellas Pharma. Prior to joining Astellas, he held investment roles at Spirit Capital, Inventages Venture Capital and Aberdeen Asset Managers (UK).

Mr. Wiley trained in general medicine at Trinity College Dublin, specialising in neurology. He is a Member of the Royal College of Physicians in Ireland and has an MBA from INSEAD.

Rory Nealon – CFO/COO

Rory Nealon was previously a board member of Trinity Biotech Plc joining as Chief Financial Officer in January 2003. He was subsequently appointed Chief Operations Officer in November 2007. Mr Nealon left Trinity in 2014. Prior to joining Trinity Biotech Plc, he was Chief Financial Officer of Conduit plc, an Irish directory services provider with operations in Ireland, the UK, Austria and Switzerland. Prior to joining Conduit he was an Associate Director in AIB Capital Markets, a subsidiary of AIB Group plc, the Irish banking group.

Mr Nealon holds a Bachelor of Commerce degree from University College Dublin, is a Fellow of the Institute of Chartered Accountants in Ireland, a member of the Institute of Taxation in Ireland and a member of the Institute of Corporate Treasurers in the UK.

Ray Stafford – Non-Executive Director

Ray Stafford has worked in the pharmaceutical industry for thirty years. He was Chairman, CEO and majority shareholder of the Tosara Group who owned, manufactured and marketed the successful international brand Sudocrem. Following the integration of Tosara into the U.S. based NYSE listed company Forest Laboratories in 1988 Mr Stafford held numerous senior positions within that corporation including CEO Forest UK and Ireland, CEO Forest Europe and since 1999 to him retiring from the business in 2014 following the sale of Forest to Actavis (Allergan) in a US$28bn transaction Mr Stafford was Executive Vice President Global Marketing. Separately Mr Stafford was founder of what is today one of Ireland's leading multi-channel sales, marketing and distribution service providers approved by the Irish Medicines Board to service the wholesale and retail trade.

Cathal Friel – Non-Executive Director

Cathal Friel is managing director and one of the founders of Raglan Road Capital Limited (which trades as Raglan Capital), a Dublin and London based corporate finance and merchant banking group. Mr Friel has over 30 years of managerial, entrepreneurial and corporate finance experience, as well as successfully advising major UK and Irish companies on domestic and international transactions. He was previously one of the founding directors of Dublin based Merrion Corporate Finance, where he helped build Merrion to becoming one of Ireland's top three corporate finance and stockbroking firms in less than 6 years, before successfully selling it for approximately €100 million in 2006.

James Culverwell – Non-Executive Director

James Culverwell has over 30 years' experience in analysing and valuing pharmaceutical companies. Mr Culverwell joined Hoare Govett in 1982, and then moved to Merrill Lynch in 1995, where he became head of European pharmaceutical equity research. In 2004, Mr Culverwell set up Sudbrook Associates, a healthcare corporate adviser. Mr Culverwell currently sits on the board of four companies in the specialty pharmaceutical, drug development and diagnostic fields, including NASDAQ-listed Innocoll AG. Mr Culverwell has an MSc from the University of Aberdeen.

Group Directors' Report
for the period ended 31 December 2015

The Directors of Amryt Pharma plc (formerly Fastnet Equity plc) (the "Company") present their report and the Financial Statements of the Company and its subsidiary undertakings (together the "Group" or "Amryt") for the period from 1 April 2015 to 31 December 2015.

New Strategy and Change of Name

On the 18 August 2015 at a general meeting of the Company, Amryt shareholders voted to exit the oil and gas industry and to adopt an investing policy focussed on the healthcare sector. On the same date the name of the Company was changed to Fastnet Equity plc from Fastnet Oil & Gas plc.

On the 18 April 2016 at a general meeting of the Company, Amryt shareholders approved resolutions to effect the reverse takeover of the Company by Amryt Pharmaceuticals DAC, an Irish incorporated specialty pharmaceutical company focused on best in class drugs in the orphan drug market. As part of the approved resolutions the Company's name was changed to Amryt Pharma plc from Fastnet Equity plc and trading on the AIM and ESM markets commenced under the new Company name on 19 April 2016.

Results and Dividends

The results for the period are set out on pages 22 to 51 and are also discussed in the Strategic Report. The Directors do not recommend payment of a dividend (31 March 2015: nil).

Corporate Governance

The Board seeks to follow best practice in corporate governance appropriate to the Company's size and in accordance with the regulatory framework that applies to AIM and ESM companies. Although the QCA Corporate Governance Code is not compulsory for AIM and ESM quoted companies, the Board intend to comply, so far as practicable and having regard to the size and nature of the Company's business, with the principles and disclosures as set out in the QCA Corporate Governance Code. The main features of the Company's corporate governance arrangements are:

- The Board intends to meet regularly and at least six times per year for formal board meetings. It will consider strategy, performance and approve financial statements, dividends and significant changes in accounting practices and key commercial matters, such as decisions to be taken on whether to take forward or to cancel a research project. There is a formal schedule of matters reserved for decision by the Board in place.
- The Company has an audit committee and remuneration committee, further details of which are provided below.
- The Company does not and will not have a nomination committee, as the Board does not consider it appropriate to establish one at this stage of the Company's development. The Board will take decisions regarding the appointment of new directors as a whole and this will follow a thorough assessment of a potential candidate's skill and suitability for the role.

The Company is managed by a board of directors and they have the necessary skills and experience to effectively operate and control the business. There are six directors as at the date of this report being; Harry Stratford, Joseph Wiley, Rory Nealon, James Culverwell, Ray Stafford and Cathal Friel.

As the business develops, the composition of the Board will remain under review to ensure that it remains appropriate to the managerial requirements of the Company. One third of the directors retire annually in rotation in accordance with the Company's articles of association. This enables the shareholders to decide on the election of the Company's Board. All new Directors appointed since the previous Annual General Meeting are required to seek election at the next Annual General Meeting. The Directors required to seek re-election at the next Annual General Meeting are Harry Stratford, Joseph Wiley, Rory Nealon, James Culverwell, Ray Stafford and Cathal Friel.

The Directors who served on the Board during the year and to the date of this report are as follows:

Cathal Friel
Carol Law (resigned on 31 August 2015)
Michael Edelson (resigned on 19 April 2016)
Michael Nolan (resigned on 19 April 2016)
Harry Stratford (appointed on 21 December 2015)
Joseph Wiley (appointed 19 April 2016)
Rory Nealon (appointed 19 April 2016)
James Culverwell (appointed 19 April 2016)
Ray Stafford (appointed 19 April 2016)

Board Committees

The Company has an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The composition of these committees may change over time as the composition of the Board changes.

Audit Committee

The Audit Committee has responsibility for, among other things, the monitoring of the financial integrity of the financial statements of the Company and the involvement of the Company's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of internal and external audit and financial control is maintained, including considering the scope of the annual audit and the extent of the non-audit work undertaken by external auditors and advising on the appointment of external auditors.

The Audit Committee will meet at least twice a year at the appropriate times in the financial reporting and audit cycle. The Audit Committee comprises of two members, who are both Non-executive Directors: James Culverwell and Cathal Friel. The Audit Committee is chaired by James Culverwell.

Remuneration Committee

The Remuneration Committee has responsibility for the determination of specific remuneration packages for each of the executive directors, including pension rights and any compensation payments, and recommending and monitoring the level and structure of remuneration for senior management, and the implementation of share option, or other performance related schemes. It will meet at least twice a year.

The Remuneration Committee comprises three members, who are all Non-executive Directors: Harry Stratford, Ray Stafford and James Culverwell. The Remuneration Committee is chaired by Harry Stratford.

Group Directors' Report
for the period ended 31 December 2015 continued

Directors' Remuneration – Current Period
The remuneration of Directors for the period ended 31 December 2015 was as follows:

	9 months to 31 December 2015 Base Fees €'000	9 months to 31 December 2015 Share Based Payments €'000	9 months to 31 December 2015 Total €'000	12 months to 31 March 2015 Total €'000
Carol Law[A]	106	23	129	433
Cathal Friel	94	–	94	120
Michael Edelson[B]	11	–	11	14
Michael Nolan[C]	11	–	11	14
Harry Stratford[D]	2	–	2	–
Period to 31 December 2015 TOTAL	**224**	**23**	**247[E]**	
Year to 31 March 2015 TOTAL FEES				867[E]
Year to 31 March 2015 Share Based Payments				53
Year to 31 March 2015 TOTAL				**920**

[A] Carol Law resigned on 31 August 2015.
[B] Michael Edelson resigned on 19 April 2016.
[C] Michael Nolan resigned on 19 April 2016.
[D] Harry Stratford was appointed on 21 December 2015.
[E] The Directors, or companies controlled by the Directors, also received payments in respect of consultancy and other services performed outside of their Directors contract. These are disclosed as consulting fees, office facilities and administration and other fees in Note 18 Related party transactions.

Internal Controls and Financial Risk Management
The Directors are responsible for the Group's system of internal controls, the setting of appropriate policies on these controls, and regular assurance that the system is functioning effectively and that it is effective in managing business risk. Principal risk and uncertainties are discussed in the Strategic Report and Financial risk management objectives and policies are detailed in note 19 of the Notes to the Financial Statements.

The Audit Committee monitors the Group's internal control procedures, reviews the internal control process and risk management procedures and reports its conclusions and recommendations to the Board.

Insurance
The Group has in place insurance protection, including a Directors and Officers liability policy, to cover the risk of loss when management deems it appropriate and cost effective; however in some cases risks cannot be effectively covered by insurance and the cover in place may not be sufficient to cover the extent of potential liabilities.

Communications with Shareholders
Good and effective communication with shareholders has been given a high priority by the Board. We regard good communication with investors (both institutional and retail) and analysts as an essential part of the on-going operations of the Company. Amryt is committed to providing up to date corporate information to existing and potential shareholders. The Group maintains a website (www.amrytpharma.com) which contains an Investors & Media section whereby existing and potential investors can access Company information and reports, contact the Company and register to receive Company news alerts.

During the period, the senior management team conducted an extensive programme of face-to face communication. This included both one-on-one and group meetings with institutional investors in the UK, Ireland and across Europe, as well as attendance at investor and industry conferences.

Share Capital Structure

During the period the Company had one class of share capital, ordinary shares of 3.8p each. On 19 April 2016, every 8 ordinary shares of par value 3.8p in the Company at close of business on 18 April 2016 became 1 new ordinary share of par value 1p and 1 deferred share of par value 29.4p. The rights attaching to the new ordinary shares of 1p will be identical in all respects to those of the old ordinary shares of 3.8p.

The deferred shares created are effectively valueless as they will not carry any rights to vote or dividend rights. In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares of 1p each have received a payment of £10,000,000 on each such share. The deferred shares are not and will not be listed or traded on the Official List, AIM, the ESM or any other investment exchange and are only transferable in limited circumstances.

The Company's ordinary shares of 1p are listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: AMYT.L) and the Enterprise Securities Market of the Irish Stock Exchange (ticker: AYP). At the date of this report, 208,339,632 ordinary shares of 1p each were in issue. Details of share issues and changes to the capital structure during the period are set out in note 15.

Substantial Shareholdings

Rank	Investor	No. of shares at 8 June 2016	% of issued capital
1	Software AG-Stiftung	43,545,567	20.90
2	Cathal Friel[A]	33,077,347	15.88
3	Joseph Wiley	20,772,895	9.97
4	Axa Framlington	20,625,000	9.90
5	Rory Nealon	9,443,031	4.53
6	Alan Harris	8,869,090	4.26

[A] 32,660,698 of these shares are held by Raglan Road Capital Limited, a company owned by Cathal Friel and his wife Pamela Iyer.

Directors and their Interests

Interest in Shares

The Directors of the Company held the following interest in the ordinary shares of Amryt Pharma plc:

Director	8 June 2016
Cathal Friel[A]	33,077,347
Joseph Wiley	20,772,895
Rory Nealon	9,443,031
Ray Stafford	2,296,369

[A] 32,660,698 of these shares are held by Raglan Road Capital Limited, a company owned by Cathal Friel and his wife Pamela Iyer.

Share Options

The Directors of the Company held the following warrants of Amryt Pharma plc:

Director	Warrants held at 8 June 2016	Exercise price	Expiry Date
Joseph Wiley	165,208	24p	31/12/18
Rory Nealon	656,250	24p	31/12/18
Ray Stafford	826,041	24p	31/12/18

Going Concern

After making appropriate enquires, the Directors consider that the Company and the Group has adequate resources to continue in business for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements. As part of their enquires 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 period ended 31 December 2015.

Following the completion of the reverse takeover of the Company by Amryt Pharmaceuticals DAC on 19 April 2016, the new Board's strategy is for the Group to acquire, build, develop and commercialise a portfolio of medicines focused on rare and orphan diseases. The Group is fully funded to meet all its commitments and obligations with no further liabilities to arise as a result of the decision to exit the oil and gas sector following the completion of the demerger of the oil and gas subsidiaries on 17 December 2015.

As part of the reverse takeover of the Company, £10 million (c.€12.6 million) before costs of new funds were introduced to the Group. Following the recent approval of Episalvan in the EU, demonstrating the efficacy and safety in partial thickness wounds ("PTWs") healing, the new Board believes the risk of obtaining regulatory approval for Episalvan to treat Epidermolysis Bullosa ("EB") is reduced. Consequently, the new Board intends to use the net proceeds of the placing to progress a Phase III clinical trial of Episalvan with a view to obtaining approval for the treatment of EB in Europe and potentially seek approval in the US. Additional capital will be required to enable the enlarged Group to exploit its other assets, Episalvan in respect of PTWs and its preclinical asset focused on acromegaly and Cushing's disease. Whilst the focus of the new Board will be on generating shareholder value in respect of the opportunity in EB, additional capital may be secured from alternative sources such as licencing deals or venture debt, in addition to more traditional sources.

The Group's forecasts and projections reflect the Directors' plans for the coming year and include operating expenditures, milestone payments on the acquisition of Birken AG, expenditure on clinical trials associated with seeking the approval of Episalvan to treat EB and liabilities as a result of the acquisition of Amryt Pharmaceutical DAC and its subsidiary companies Birken AG and SomPharmaceuticals. Costs in relation to the reverse takeover are expected to be in the region of £1.56 million (€1.97 million). The Group performs sensitivity analysis on its projected cashflows and when performing sensitivities has taken into account reasonable changes in market conditions, potential upside from the receipt of funds on licensing deals or venture debt and removed cash outflows from sources which are not yet contractually binding.

The Group's forecasts, taking into account reasonably possible changes as described above, show that the Group will be able to operate and have significant financial headroom for the 12 months from the date of approval of the Consolidated Financial Statements for the period ended 31 December 2015.

Events after the Reporting Period

Events after the reporting period are set out in note 21 to the Financial Statements. Likely future developments in the business are discussed in the Strategic Report.

Auditors

The Board are recommending BDO LLP for re-appointment as auditor of the Company. BDO LLP have expressed their willingness to accept this appointment and a resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

Disclosure of Information to the Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the Rules of the AIM and ESM exchanges issued by London and Irish Stock Exchange.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and the requirements of the AIM and ESM Rules, the directors are also responsible for preparing a directors' report that complies with law and those rules.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the Financial Statements contained therein.

This report was approved by the board on 8 June 2016 and signed on its behalf by:

Rory Nealon
Director

Independent Auditor's Report

for the period ended 31 December 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMRYT PHARMA PLC

We have audited the financial statements of Amryt Pharma plc for the period ended 31 December 2015 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company statement of comprehensive income, the company statement of financial position, the company statement of cash flows, the company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of the group's and the parent company's loss for the period then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anne Sayers (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
8 June 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income

for the period ended 31 December 2015

	Notes	9 months to 31 December 2015 €'000	12 months to 31 March 2015[1] €'000
Continuing operations			
Revenue		–	–
Operational costs		–	–
Gross loss		–	–
General and administrative costs		(1,323)	(1,922)
Other operating expenses		(4)	(4)
Total administrative expenses		(1,327)	(1,926)
Share based payments	16	(40)	(117)
Operating loss		(1,367)	(2,043)
Finance income	6	51	167
Net foreign exchange gain		6	9
Loss on ordinary activities before taxation		(1,310)	(1,867)
Tax on loss on ordinary activities	7	–	–
Loss for the period/year from continuing operations	4	(1,310)	(1,867)
Discontinued operations			
Loss for the period/year from discontinued operations attributable to the equity holders of the parent	11	(1,173)	(34,099)
Loss and total comprehensive loss for the period/year attributable to the equity holders of the parent		(2,483)	(35,966)
Loss per share			
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (cent)	8	(5.75)	(83.31)
Loss per share – basic and diluted, from continuing operations (cent)	8	(3.03)	(4.32)

1 The comparatives have been restated to reflect the reclassification of Fastnet Oil and Gas (Ireland) Limited and Pathfinder Hydrocarbon Ventures Limited as discontinued operations. The changes in presentation and the circumstances surrounding them are described in Note 2 – Accounting policies and Note 11 – Discontinued operations.

Consolidated Statement of Financial Position

As at 31 December 2015

	Notes	31 December 2015 €'000	31 March 2015 €'000
Assets			
Non-current assets			
Property, plant and equipment	10	–	7
Exploration and evaluation assets	9	–	–
Total non-current assets		–	7
Current assets			
Trade and other receivables	13	283	157
Cash and cash equivalents	14	12,625	15,195
Total current assets		12,908	15,352
Total assets		12,908	15,359
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	15	18,336	18,336
Share premium	15	35,221	35,221
Other reserves		1,721	1,882
Retained deficit		(42,819)	(40,537)
Total equity		12,459	14,902
Current liabilities			
Trade and other payables	17	449	457
Total current liabilities		449	457
Total liabilities		449	457
Total equity and liabilities		12,908	15,359

The Financial Statements set out on pages 22 to 51 were approved and authorised for issue by the Directors on 8 June 2016.

They are signed on the Board's behalf by:

Rory Nealon
Director

Company Number
5316808

Consolidated Statement of Cash Flows

for the period ended 31 December 2015

	Notes	9 months to 31 December 2015 €'000	12 months to 31 March 2015[1] €'000
Cash flows from operating activities			
Loss for the period/year – continuing operations		(1,310)	(1,867)
Loss for the period/year – discontinued operations		(1,173)	(34,099)
Loss after tax for the period/year		(2,483)	(35,966)
Depreciation	10	–	5
Share based payment expense	16	40	117
Impairment of exploration and evaluation assets	9	330	33,117
Impairment of loans advanced	13	660	–
Gain on disposal of subsidiaries		(17)	–
Finance income		(51)	(167)
Net foreign exchange differences		(9)	(4)
Movement in working capital:			
Decrease/(increase) in trade and other receivables		69	(87)
Decrease in trade and other payables		(8)	(449)
Net cash flow (used in)/from operating activities		(1,469)	(3,434)
Cash flow from investing activities			
Expenditure on exploration and evaluation assets	9	(330)	(15,785)
Farm-in proceeds		–	18,471
Net cash outflow on disposal of subsidiaries		(635)	–
Bank interest received	6	51	167
Net cash flow from/(used in) investing activities		(914)	2,853
Cash flow from financing activities			
Prepaid costs of reverse takeover		(196)	–
Net cash flow from financing activities		(196)	–
Net change in cash and cash equivalents		(2,579)	(581)
Exchange and other movements		9	4
Cash and cash equivalents at beginning of period/year	14	15,195	15,772
Cash and cash equivalents at end of period/year	14	12,625	15,195

1 The comparatives have been restated to reflect the reclassification of Fastnet Oil and Gas (Ireland) Limited and Pathfinder Hydrocarbon Ventures Limited as discontinued operations. The changes in presentation and the circumstances surrounding them are described in Note 2 – Accounting policies and Note 11 – Discontinued operations.

Statement of Changes in Equity
for the period ended 31 December 2015

	Notes	Share capital €'000	Share premium €'000	Share based payment reserve €'000	Merger reserve €'000	Reverse asset acquisition reserve €'000	Capital reserve €'000	Retained deficit €'000	Total €'000
Balance at 1 April 2014		18,336	35,221	1,434	10,388	(10,187)	7	(4,571)	50,628
Total comprehensive loss for the year		–	–	–	–	–	–	(35,966)	(35,966)
Share based payments	16	–	–	240	–	–	–	–	240
Balance at 31 March 2015		18,336	35,221	1,674	10,388	(10,187)	7	(40,537)	14,902
Balance at 1 April 2015		18,336	35,221	1,674	10,388	(10,187)	7	(40,537)	14,902
Total comprehensive loss for the period		–	–	–	–	–	–	(2,483)	(2,483)
Reserve movement on disposal of subsidiaries		–	–	–	(10,388)	10,187	–	201	–
Share based payments	16	–	–	40	–	–	–	–	40
Balance at 31 December 2015		18,336	35,221	1,714	–	–	7	(42,819)	12,459

Share capital represents the cumulative par value arising upon issue of ordinary shares of 3.8p each. During the period the Company had one class of share capital, ordinary shares of 3.8p each. On 19 April 2016, every 8 ordinary shares of par value 3.8p in the Company at close of business on 18 April 2016 became 1 new ordinary share of par value 1p and 1 deferred share of par value 29.4p.

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

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

Merger reserve was created on the acquisitions of Fastnet Oil and Gas (Ireland) Limited and Pathfinder Hydrocarbon Ventures Limited. Consideration on the acquisition of these subsidiaries included the issuance of shares. Under section 612 of the Companies Act 2006, the premium on these shares was included in a merger reserve. Following the disposal of these subsidiaries on 17 December 2015, the merger reserve has been transferred to retained deficit.

Reverse asset acquisition reserve arose during the year ended 31 March 2013 in respect of the acquisition Fastnet Oil and Gas (Ireland) Limited. Since the shareholders of Fastnet Oil and Gas (Ireland) Limited became the majority shareholders of the enlarged group the acquisition was accounted for as though there is a continuation of Fastnet Oil and Gas (Ireland) Limited's Financial Statements. The reverse asset acquisition reserve was created to maintain the equity structure of Amryt Pharma plc in compliance with UK company law. Following the disposal of Fastnet Oil and Gas (Ireland) Limited on 17 December 2015, the reverse asset acquisition reserve has been transferred to retained deficit.

Retained deficit represents losses accumulated in previous periods and the current period.

Company Statement of Comprehensive Income

for the period ended 31 December 2015

	Notes	9 months to 31 December 2015 €'000	12 months to 31 March 2015[1] €'000
Continuing operations			
Revenue		–	–
Operational costs		–	–
Gross loss		–	–
General and administrative costs		(1,323)	(1,923)
Other operating expenses		(4)	(3)
Total administrative expenses		(1,327)	(1,926)
Share based payments	16	(40)	(117)
Operating loss		(1,367)	(2,043)
Finance income	6	51	167
Net foreign exchange gain		6	9
Loss on ordinary activities before taxation		(1,310)	(1,867)
Tax on loss on ordinary activities	7	–	–
Loss for the period/year from continuing operations	4	(1,310)	(1,867)
Discontinued operations			
Loss for the period/year from discontinued operations attributable to the equity holders of the company	11	(1,327)	(44,024)
Loss and total comprehensive loss for the period/year attributable to the equity holders of the company		(2,637)	(45,891)
Loss per share			
Loss per share – basic and diluted, attributable to ordinary equity holders of the company (cent)	8	(6.11)	(106.30)
Loss per share – basic and diluted, from continuing operations (cent)	8	(3.03)	(4.32)

1 The comparatives have been restated to reflect the reclassification of transactions with and impairment of investments in Fastnet Oil and Gas (Ireland) Limited and Pathfinder Hydrocarbon Ventures Limited as discontinued operations. The changes in presentation and the circumstances surrounding them are described in Note 2 – Accounting policies and Note 11 – Discontinued operations.

Company Statement of Financial Position

for the period ended 31 December 2015

	Notes	31 December 2015 €'000	31 March 2015 €'000
Assets			
Non-current assets			
Investment in subsidiaries	12	–	–
Total non-current assets		–	–
Current assets			
Trade and other receivables	13	283	149
Cash and cash equivalents	14	12,625	15,112
Total current assets		12,908	15,261
Total assets		12,908	15,261
Equity and liabilities			
Equity attributable to owners of the company			
Share capital	15	18,336	18,336
Share premium	15	35,221	35,221
Other reserves		1,721	12,069
Retained deficit		(42,819)	(50,570)
Total equity		12,459	15,056
Current liabilities			
Trade and other payables	17	449	205
Total current liabilities		449	205
Total liabilities		449	205
Total equity and liabilities		12,908	15,261

The Financial Statements set out on pages 22 to 51 were approved and authorised for issue by the Directors on 8 June 2016.

They are signed on the Board's behalf by:

Rory Nealon
Director

Company Number
5316808

Company Statement of Cash Flows

for the period ended 31 December 2015

	Notes	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Cash flows from operating activities			
Loss for the period/year – continuing operations		(1,310)	(1,867)
Loss for the period/year – discontinued operations		(1,327)	(44,024)
Loss for the period/year		(2,637)	(45,891)
Share based payment expense	16	40	117
Impairment of investments in subsidiaries	12	577	43,148
Impairment of exploration and evaluation assets		71	–
Impairment of loans advanced	13	660	–
Finance income		(51)	(167)
Net foreign exchange differences		(6)	(8)
Movements in working capital:			
Increase in trade and other receivables	13	(134)	(108)
Increase/(decrease) in trade and other payables	17	244	(369)
Net cash flow used in operating activities		(1,236)	(3,278)
Cash flow from investing activities			
Bank interest received	6	51	167
Expenditure on exploration and evaluation assets		(71)	–
Funds (advanced to)/received from subsidiary companies		(577)	2,754
Net cash outflow on disposal of subsidiaries		(660)	–
Net cash flow from/(used in) investing activities		(1,257)	2,921
Net change in cash and cash equivalents		(2,493)	(357)
Foreign exchange and other movements		6	8
Cash and cash equivalents at beginning of period/year	14	15,112	15,461
Cash and cash equivalents at end of period/year	14	12,625	15,112

Company Statement of Changes in Equity

for the period ended 31 December 2015

	Notes	Share capital €'000	Share premium €'000	Share based payment reserve €'000	Merger reserve €'000	Capital reserve €'000	Retained deficit €'000	Total €'000
Balance at 1 April 2014		18,336	35,221	1,434	10,388	7	(4,679)	60,707
Total comprehensive loss for the year		–	–	–	–	–	(45,891)	(45,891)
Share based payments	16	–	–	240	–	–	–	240
Balance at 31 March 2015		18,336	35,221	1,674	10,388	7	(50,570)	15,056
Balance at 1 April 2015		18,336	35,221	1,674	10,388	7	(50,570)	15,056
Total comprehensive loss for the period		–	–	–	–	–	(2,637)	(2,637)
Reserve movement on disposal of subsidiaries		–	–	–	(10,388)	–	10,388	–
Share based payments	16	–	–	40	–	–	–	40
Balance at 31 December 2015		18,336	35,221	1,714	–	7	(42,819)	12,459

Merger reserve was created on the acquisitions of Fastnet Oil and Gas (Ireland) Limited and Pathfinder Hydrocarbon Ventures Limited. Consideration on the acquisition of these subsidiaries included the issuance of shares. Under section 612 of the Companies Act 2006, the premium on these shares was included in a merger reserve. Following the disposal of these subsidiaries on 17 December 2015, the merger reserve has been transferred to retained deficit.

Notes to the Financial Statements

1 General information

Amryt Pharma plc (formerly Fastnet Equity plc) ("Amryt" 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's offices are in Dublin and London. The Company is listed on the AIM market of the London Stock Exchange (ticker: AMYT.L) and the Enterprise Securities Market of the Irish Stock Exchange (ticker: AYP). The principal activity of the Company up to 28 August 2015 was oil and gas exploration. At a general meeting of the Company on 28 August 2015, a fundamental change of business and investing policy was approved by the shareholders of the Company. The investing policy was to acquire companies or businesses in the healthcare sector. On the 18 December 2015 all remaining oil and gas assets were ring-fenced in a trust structure and subsequent to period end on 18 April 2016 the reverse takeover of the Company by Amryt Pharmaceuticals DAC was approved at a general meeting of the Company. At that date the Company was renamed Amryt Pharma plc.

2 Accounting policies

Basis of preparation

The consolidated Financial Statements consolidate those of the Company and its subsidiaries (together the "Group"). The consolidated Financial Statements of the Group and the individual Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The IFRS adopted by the EU as applied by the Company and the Group in the preparation of these Financial Statements are those that were effective from 1 April 2015.

Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries for the period ended 31 December 2015. Subsidiaries are entities controlled by the Group. Where the Group has control over an investee, it is classified as a subsidiary. The Group 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 of 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, and other components of equity while any resultant gain or loss is recognised in profit or loss on discontinued operations. Any investment retained is recognised at fair value.

Change of Accounting Reference Date

Following the completion of the reverse takeover of the Company on 18 April 2016, the Company changed its accounting reference date and financial year end from 31 March to 31 December. This was to align the reporting periods of the Company with those of the main operating subsidiaries, Amryt Pharmaceuticals DAC and Birken AG.

Comparative Information

There have been a number of developments which have changed the presentation of the comparative information and these are summarised as follows:

- On 17 December 2015, Fastnet Oil and Gas (Ireland) Limited a 100% owned Irish subsidiary of the Company was disposed of. All results and cash flows of the subsidiary for the year ended 31 March 2015 have been reclassified as discontinued.
- On 17 December 2015, Pathfinder Hydrocarbon Ventures Limited a 100% owned Jersey subsidiary of the Company was disposed of. All results and cash flows of the subsidiary for the year ended 31 March 2015 have been reclassified as discontinued.

- On 31 October 2015, the Company's functional currency and the presentational currency of the Group were changed from US Dollars ("US$") to Euro ("€"). The effects of this change are described in more detail below.

The segmental information for 31 March 2015 has been restated to include the above changes within discontinued operations. This has resulted in a single business area, head office activities, being recognised at period end. Following these changes the single business area and the geographical information for the UK & Ireland are aligned and as a result only a single set of segmental information is presented.

Except as indicated above, the Group financial statements have been prepared on a basis consistent with that reported for the year ended 31 March 2015.

Change in Functional Currency

IAS 21 "The Effects of Changes in Foreign Exchange Rates", describes functional currency as "the currency of the primary economic environment in which an entity operates". In the prior period the functional and presentation currency was determined across all Group companies to be US$.

Having considered the aggregate effect of all relevant factors, the Directors have concluded that € is now the appropriate functional currency of the Company with the change effective from 31 October 2015. This reflects the fact that € has become the predominant currency in the economic environment in which the Company operates. All funding requirements are received by the Company in Pounds Sterling ("£") with funds received translated on receipt to € to fund operations. 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 Q3 2015 and is effective for accounting purposes from 1 November 2015. When there is a change in an entity's functional currency all items are translated into the new functional currency using the exchange rate at the date of the change. The exchange rate used at the date of the conversion was US$1.00:€0.905.

Change in Presentation Currency

In addition to the change in functional currency, the Group has changed the presentation currency used for the financial statements of the Group from US$ to €, € being the primary currency of economic environment in which the Group operates. Prior year balances have been translated at the exchange rate of US$1.00:€0.905. In the use of this exchange rate, which is the rate used on the translation of the Company's financial statements at 31 October 2015 following the change in functional currency, the movements in the relevant exchange rates in the prior periods were reviewed and the conversion of the balances in accordance with the requirements for a change in accounting policy as set out in IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors" was considered. The movements in the relevant exchange rates were not considered to be significant. The Directors have determined that the comparability of the prior period balances would not be enhanced by using a method of conversion other than that which was adopted by the Company.

Presentation of Balances

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

Notes to the Financial Statements continued

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

Foreign currency units to 1 €	**US$**	**£**
Average period to 31 December 2015	1.0987	0.7198
At 31 December 2015	1.0908	0.7367
Average year to 31 March 2015	1.2587	0.7847
At 31 March 2015	1.0852	0.7313

(US$ = US Dollars; £ = Pounds Sterling)

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments to IFRS effective as of 1 April 2015 have been reviewed by the Group and there has been no material impact on the financial statements as a result of these standards and amendments. The new standards include:

- IAS 19: Defined Benefit Plans.

Standards issued but not yet effective

There were a number of standards and interpretations which were in issue at 31 December 2015 but were not effective at 31 December 2015 and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements. They may result in consequential changes to the accounting policies and other note disclosures.

The new standards include:

IFRS 9	Financial Instruments[2]
IFRS 10 (Amendments)	Applying the Consolidation Exception[1]
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
IFRS 12 (Amendments)	Applying the Consolidation Exception[1]
IFRS 14	Regulatory Deferral Accounts[1]
IFRS 15	Revenue from Contracts with Customers[2]
IFRS 16	Leases[3]
IAS 1 (Amendments)	Disclosure Initiative[1]
IAS 16 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
IAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]
IAS 28 (Amendments)	Applying the Consolidation Exception[1]
IAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Improvements to IFRSs	Annual Improvements 2012-2014 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019

Principal accounting policies

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

Financial instruments

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 on the Statement of Financial Position at fair value when the Company becomes party to the contractual provisions of the instrument, and subsequently carried at amortised cost using the effective interest rate method. Financial assets are reduced by appropriate allowances for estimated irrecoverable amounts. Interest earned from financial assets and interest paid on financial liabilities is recognised in the Statement of Comprehensive Income on an accruals basis over the term of the financial asset or liability using the effective rate of interest. Financial assets are stated at their nominal value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material.

Financial liabilities are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short term payment period is not considered material.

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.

Foreign currency translation

The Company translates foreign currency transactions into its functional currency, €, at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the Statement of Financial Position date. Exchange differences arising are taken to the Statement of Comprehensive Income except those incurred on borrowings specifically allocable to development projects which are capitalised as part of the cost of the asset.

Property, plant and equipment

Property, plant and equipment comprise computer equipment and furniture and fittings. Depreciation is charged at 25% per annum on a straight line basis so as to write off the cost over four years.

Exploration and evaluation assets

The Group applies the requirements of IFRS 6 Exploration for and evaluation of mineral resources in respect of its exploration and evaluation expenditure. The requirements of IFRS 6 are not applied to expenditure incurred by the Group before legal title to explore for and evaluate hydrocarbon resources in a specific area is obtained, generally referred to as pre-licence expenditure. Likewise the Group do not apply the requirements of IFRS 6 after the point at which the technical feasibility and commercial viability of extracting hydrocarbons are demonstrable.

The costs of exploring for and evaluating hydrocarbon resources are accumulated and capitalised as intangible assets by reference to appropriate cash-generating units (CGU), generally referred to as full cost accounting. Such CGUs are noted as not being larger than an operating segment as determined in accordance with IFRS 8 Operating segments.

Capitalised exploration and evaluation expenditure may include, amongst other costs, costs of licence acquisition, third party technical services and studies, seismic acquisition, exploration drilling and testing but do not include general overheads. Any property, plant and equipment (PPE) acquired for use in exploration and evaluation activities is classified as property, plant and equipment. However, to the extent that such PPE is consumed in developing an intangible exploration and evaluation asset the amount reflecting that consumption is recorded as part of the cost of the intangible exploration and evaluation asset.

Intangible exploration and evaluation assets are not depreciated and are carried forward, subject to the provisions of the Group's impairment of exploration and evaluation policy, until the technical feasibility and commercial viability of extracting hydrocarbons are demonstrable. At such point exploration and evaluation assets are assessed for impairment and any impairment loss is recognised before reclassification of the assets to a category of property, plant and equipment.

Impairment of exploration and evaluation expenditure
The Group's exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the exploration and evaluation assets may exceed the assets recoverable amount.

In accordance with IFRS 6 the Group firstly considers the following facts and circumstances in their assessment of whether the Group's exploration and evaluation assets may be impaired:

- whether the period for which the Group has the right to explore in a specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- whether substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;
- whether exploration for and evaluation of hydrocarbons in a specific area have not led to the discovery of commercially viable quantities of hydrocarbons and the Group has decided to discontinue such activities in the specific area; and
- whether sufficient data exists to indicate that although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

If any such facts or circumstances are noted, the Group, as a next step, performs an impairment test in accordance with the provisions of IAS 36. In such circumstances the aggregate carrying value of the exploration and evaluations assets is compared against the expected recoverable amount of the CGU. The recoverable amount is the higher of value in use and the fair value less costs to sell. In accordance with the provisions of IFRS 6 the level identified for the purposes of assessing the Group's exploration and evaluation assets for impairment may comprise one or more cash-generating units.

Discontinued operations
A discontinued operation is a component of the Group's business that represents a separate business area, geographical region or major line of business. Classification as a discontinued operation occurs upon disposal or earlier if the operation meets the criteria to be classified as held for sale.

Non-current assets and disposal groups are classified as held for sale if the carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Farm-in and farm-out arrangements
The Group accounts for its expenditure under farm-in arrangements in the same way as directly incurred exploration and evaluation expenditure.

Where consideration is received as part of a farm-out arrangement, the Group re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received is credited against costs previously capitalised in relation to the whole interest with any excess accounted for as a gain on disposal when the cash is received. The Group does not record any expenditure made by the farmee on its account.

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. In the consolidated Financial Statements, acquisition costs incurred are expensed and included in general and administrative expenses.

Frequently, the acquisition of exploration licences 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.

Investment in subsidiaries
Investments in subsidiaries are stated at cost less impairment.

Impairment
At each Statement of Financial Position date, the Company reviews the carrying amounts of its investments and exploration and evaluation assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any impairment loss arising from the review is charged to the Statement of Comprehensive Income whenever the carrying amount of the asset exceeds its recoverable amount.

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 substantially enacted at the reporting date. 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 is used as a proxy.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the period.

The Group may issue warrants to key consultants, advisers and suppliers in payment or part payment for services or supplies provided to the Group. In addition, the Company may grant warrants to subscribers as part of the issue of new ordinary shares in the Company. The fair value of warrants 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 warrants vest. The fair value is measured using the Black-Scholes model if the fair value of the services received cannot be measured reliably.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of Financial Statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end and the

reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are areas that involve significant estimation, uncertainty and critical judgement in applying the Company's accounting policies:

Exploration and evaluation expenditure (see note 9)
Expenditure is capitalised as an intangible asset by reference to appropriate CGUs and is assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable value.

This assessment involves judgement as to:

(i) the timing of future development of the asset;

(ii) the availability of funding structures to finance further exploration and the future costs of development;

(iii) the potential of commercial development opportunities for extracting value from the asset; and

(iv) when applicable the modelling inputs such as the appropriateness of discount rates, reserve and resource estimates, oil and gas pricing predictions, etc.

Further considerations relating to the above are set out in note 9.

Impairment of assets (see note 9, 11 & 12)
The Group assesses each asset or cash-generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual operating site, which is the lowest level for which cash inflows are largely independent of those of other assets.

Measurement of share based payments (see note 16)
The fair value of share based payments recognised in the Statement of Comprehensive Income is measured by use of valuation models, which take into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on historical share price performance.

The preparation of the consolidated Financial Statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the Financial Statements and the reported amounts of revenues and expenses during the reporting periods. The resulting accounting estimates will, by definition, differ from the related actual results.

3 Segmental information

In the prior year financial statements the business of the Company was presented in one business area, oil and gas exploration. The oil and gas exploration business area was discontinued during the period and all results and cash flows of the oil and gas subsidiaries disposed of, being Fastnet Oil and Gas (Ireland) Limited and Pathfinder Hydrocarbon Ventures Limited, have been reclassified as discontinued. This has resulted in a single business area, head office activities, being recognised. Following these changes the single business area and the geographical information for the UK & Ireland are aligned and as a result only a single set of segmental information is presented.

Segment information of the Group is presented below:

	9 months to 31 December 2015			12 months to 31 March 2015		
	UK & Ireland €'000	Discontinued Operations €'000	Total €'000	UK & Ireland €'000	Discontinued Operations €'000	Total €'000
Income Statement						
Revenue	–	–	–	–	–	–
General and administrative costs	(1,323)	(200)	(1,523)	(1,923)	(970)	(2,893)
Impairment charges	–	(973)	(973)	–	(33,117)	(33,117)
Other operating expenses	(4)	–	(4)	(3)	(7)	(10)
Share based payments	(40)	–	(40)	(117)	–	(117)
Operating loss	(1,367)	(1,173)	(2,540)	(2,043)	(34,094)	(36,137)
Finance revenue	51	–	51	167	–	167
Net foreign exchange gain	6	–	6	9	(5)	4
Loss before taxation	(1,310)	(1,173)	(2,483)	(1,867)	(34,099)	(35,966)
Assets and Liabilities						
Current assets	12,908	–	12,908	15,261	91	15,352
Non-current assets	–	–	–	–	7	7
Total Segment Assets	12,908	–	12,908	15,261	98	15,359
Current liabilities	(449)	–	(449)	(205)	(252)	(457)
Total Segment Liabilities	(449)	–	(449)	(205)	(252)	(457)
	12,459	–	12,459	15,056	(154)	14,902

Notes to the Financial Statements continued

Segment information of the Company is presented below:

	9 months to 31 December 2015			12 months to 31 March 2015		
	UK & Ireland €'000	Discontinued Operations €'000	Total €'000	UK & Ireland €'000	Discontinued Operations €'000	Total €'000
Income Statement						
Revenue	–	80	80	–	1,692	1,692
General and administrative costs	(1,323)	(99)	(1,378)	(1,923)	(1,623)	(3,546)
Impairment charges	–	(1,308)	(1,308)	–	(44,093)	(44,093)
Other operating expenses	(4)	–	(4)	(3)	–	(3)
Share based payments	(40)	–	(40)	(117)	–	(117)
Operating loss	(1,367)	(1,327)	(2,695)	(2,043)	(44,024)	(46,067)
Finance revenue	51	–	51	167	–	167
Net foreign exchange gain	6	–	6	9	–	9
Loss before taxation	(1,310)	(1,327)	(2,637)	(1,867)	(44,024)	(45,891)
Assets and Liabilities						
Current assets	12,908	–	12,908	15,261	–	15,261
Non-current assets	–	–	–	–	–	–
Total Segment Assets	12,908	–	12,908	15,261	–	15,261
Current liabilities	(449)	–	(449)	(205)	–	(205)
Total Segment Liabilities	(449)	–	(449)	(205)	–	(205)
	12,459	–	12,459	15,056	–	15,056

4 Loss for the period

	Group		Company	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Loss for the period is stated after charging:				
Fees payable to the Company's auditor for audit of the Company's annual accounts	27	10	27	10
Fees payable to the Company's auditor and its associates for other services:				
The audit of the Company's subsidiaries pursuant to legislation	–	20	–	20
Tax compliance services	11	18	11	18
Assurance services on corporate finance transactions	8	–	8	–
Audit-related assurance services	–	3	–	3
Depreciation of property, plant and equipment	–	5	–	–
Impairment of exploration and evaluation assets	330	33,117	71	17,839
Impairment of loans advanced	660	—	1,237	25,309
Foreign exchange gains	6	4	6	9

5 Employees

In addition to the Directors (details of numbers are contained in the Group Directors' Report), the average number of employees during the period was 2 (12 months to 31 March 2015: 4).

Aggregate remuneration comprised:

	Group		Company	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Other wages and salaries	97	216	–	–
Social security costs	8	45	–	22
Directors remuneration[A]	224	868	224	868
Share based payments – Directors[B]	23	53	23	53
Share based payments – employees	17	8	17	8
Total employee costs	369	1,190	264	951

[A] The Directors, or companies controlled by the Directors, also received payments in respect of consultancy and other services performed outside of their Directors contract. These are disclosed as consulting fees, office facilities and administration and other fees in Note 18 Related party transactions.
[B] The prior year amount includes €17,000 that was capitalised to intangible assets.

6 Finance income

	Group and Company	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Bank interest received	51	167

7 Tax on ordinary activities

No UK Corporation Tax charge arises in the year ended 31 December 2015 and 31 March 2015. A reconciliation of the expected tax benefit computed by applying the tax rate applicable in the primary jurisdiction to the loss before tax to the actual tax (credit)/expense is as follows:

	Group		Company	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Loss before tax	(2,483)	(35,996)	(2,637)	(45,891)
Tax credit at UK corporation tax rate of 20%	(497)	(7,193)	(527)	(9,178)
Effect of:				
Losses unutilised	294	401	255	359
Expenses not deductible for tax purposes	203	6,665	272	8,819
Differences in overseas taxation rates	–	127	–	–
Total tax charge on loss on ordinary activities	–	–	–	–

The Group has tax losses of €3,890,000 (31 March 2015: €4,057,000) to carry forward against future profits. Due to the fundamental change in the Company's business following the exit of the oil and gas industry, these losses may not be available for use against the future profits of the Company. The deferred tax asset on these tax losses at 20% of €778,000 (31 March 2015: €811,000) has not been recognised due to the uncertainty of the recovery.

8 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 weighted average number of Ordinary Shares outstanding during the year. 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:

	Group		Company	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Loss after tax attributable to equity holders of the Company from continuing operations (€'000)	(1,310)	(1,867)	(1,310)	(1,867)
Loss after tax attributable to equity holders of the Company from discontinued operations (€'000)	(1,173)	(34,099)	(1,327)	(44,024)
Loss after tax attributable to equity holders of the Company (€'000)	(2,483)	(35,966)	(2,637)	(45,891)
Weighted average number of Ordinary Shares in issue[A]	43,171,134	43,171,134	43,171,134	43,171,134
Fully diluted average number of Ordinary Shares in issue[A]	43,171,134	43,171,134	43,171,134	43,171,134
Basic and diluted loss per share (cent) – continuing operations	(3.03)	(4.32)	(3.03)	(4.32)
Basic and diluted loss per share (cent) – discontinued operations	(2.72)	(78.99)	(3.08)	(101.98)
Basic and diluted loss per share (cent)	(5.75)	(83.31)	(6.11)	(106.30)

[A] The share number used in the LPS calculation is the post period end share consolidation amount – see note 15 for details.

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 31 December 2015 totalled 10,459,726 (31 March 2015: 20,397,423) and are potentially dilutive.

9 Exploration and evaluation assets

	Offshore Morocco €'000	Onshore Morocco €'000	Offshore Ireland €'000	Total €'000
Cost				
At 1 April 2014	26,078	885	19,775	46,738
Additions	3,141	892	816	4,850
Farm-in proceeds	(18,471)	–	–	(18,471)
At 31 March 2015	10,749	1,777	20,591	33,117
At 1 April 2015	10,749	1,777	20,591	33,117
Additions	57	–	273	330
Discontinued operations	(10,806)	(1,777)	(20,864)	(33,447)
At 31 December 2015	–	–	–	–
Impairment				
At 1 April 2014	–	–	–	–
Impairment charge	(10,749)	(1,777)	(20,591)	(33,117)
At 31 March 2015	(10,749)	(1,777)	(20,591)	(33,117)
At 1 April 2015	(10,749)	(1,777)	(20,591)	(33,117)
Impairment charge	(57)	–	(273)	(330)
Discontinued operations	10,806	1,777	20,864	33,447
At 31 December 2015	–	–	–	–
Carrying value				
At 31 March 2014	26,078	885	19,775	46,738
At 31 March 2015	–	–	–	–
At 31 December 2015	–	–	–	–

Annual Impairment Review

As part of the annual impairment review all oil and gas asset carrying values were fully impaired during the period, an impairment charge of €330,000 (31 March 2015: €33,117,000) has been made in relation to the Group's exploration and evaluation assets. All oil and gas asset carrying values were impaired during the period as a result of the Company's exit from the oil and gas industry. The exit was completed on 17 December 2015 when the Company's oil and gas subsidiaries were acquired by Fastnet Hydrocarbons Limited, on 17 December 2015 for an aggregate sum of £1. As a consequence the Group will no longer have any ongoing interest or further cost exposure in respect of the oil and gas assets.

10 Property, plant and equipment

	Total €'000
Cost	
At 1 April 2014	22
Additions	–
At 31 March 2015	22
Discontinued operations	(22)
At 31 December 2015	–
Accumulated depreciation	
At 1 April 2014	10
Depreciation charge	5
At 31 March 2015	15
Discontinued operations	(15)
At 31 December 2015	–
Net book value	
At 31 March 2014	12
At 31 March 2015	7
At 31 December 2015	–

11 Discontinued operations

On 18 December 2015, the Company announced its decision to divest of the Group's remaining oil and gas interests. The remaining oil and gas assets were ring-fenced in a trust structure designed to allow the search for a buyer of the oil and gas assets to continue. In the event that this search process is completed, the Company's shareholders as at 16 December 2015 would receive any value generated from the disposal of the assets. The oil and gas assets were held in two 100% owned subsidiary companies, Fastnet Oil and Gas (Ireland) Limited ("FOGI") and Pathfinder Hydrocarbon Ventures Limited ("PHVL"). All results and cash flows of the subsidiary for the year ended 31 March 2015 have been reclassified as discontinued.

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. The day to day operations and management of the Trust and Fastnet Hyrdocarbons are run and controlled entirely separately of Amryt and therefore the Company has derecognized its interest in these entities. Amryt has made an unsecured 4 year term loan of an aggregate of €660,000 to the subsidiaries of Fastnet Hydrocarbons, FOGI and PHVL at an annual rate of interest of 4% above LIBOR in order that those entities are able to meet their respective obligations. To the extent any future value is realised from Fastnet Hydrocarbons, FOGI and/or PHVL, the trustees of the Trust will arrange for any returns of capital or distributions made to it to be paid to beneficiaries of the Trust. The terms of the loan require it to be settled in full, immediately upon any change of control, disposal of business or all or substantially all of their assets or insolvency event of Fastnet Hydrocarbons. No dividends or distributions will be made until the loan is repaid in full.

Results for discontinued operations:

As indicated above, the Company disposed of 100% of the issued share capital of all of its oil and gas subsidiaries on 17 December 2015. As a consequence of this, the results and cash flows of these subsidiaries for the year ended 31 March 2015 have been reclassified as discontinued. In addition the impairment charge of €660,000 in relation to the loan advanced to Fastnet Hydrocarbons has been included in discontinued operations.

	Group		Company	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Revenue	–	–	80	1,692
General and administrative costs	(200)	(970)	(99)	(1,623)
Impairment charges	(973)	(33,117)	(1,308)	(44,093)
Other operating expenses	–	(7)	–	–
Operating loss	(1,173)	(34,094)	(1,327)	(44,024)
Net foreign exchange loss	–	(5)	–	–
Loss on discontinued operations before tax	(1,173)	(34,099)	(1,327)	(44,024)
Tax	–	–	–	–
Loss for the period from discontinued operations	(1,173)	(34,099)	(1,327)	(44,024)

Loss per share from discontinued operations:

	Group		Company	
	9 months to 31 December 2015 € cents	12 months to 31 March 2015 € cents	9 months to 31 December 2015 € cents	12 months to 31 March 2015 € cents
Net loss per share from discontinued operations:				
Basic and diluted[A]	(2.72)	(78.99)	(3.08)	(101.98)

[A] The share number used in the LPS calculation is the post period end share consolidation amount – see note 15 for details.

The net cash flows incurred by Fastnet Oil and Gas (Ireland) Limited and Pathfinder Hydrocarbon Ventures Limited are as follows:

	Discontinued activities	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Operating	(381)	(164)
Investing	(195)	2,635
Financing	(259)	226
Net cash (outflow)/inflow	(835)	2,697

12 Investment in subsidiaries

	Equity in subsidiary companies €'000	Subsidiary funding €'000	Total €'000
Cost			
At 1 April 2014	17,839	28,011	45,850
Additions and adjustments in the year	–	(2,702)	(2,702)
At 31 March 2015	17,839	25,309	43,148
Additions in the period	–	577	577
Discontinued operations	(17,839)	(25,886)	(43,725)
At 31 December 2015	–	–	–
Impairment			
At 1 April 2014	–	–	–
Impairment charge	(17,839)	(25,309)	(43,148)
At 31 March 2015	(17,839)	(25,309)	(43,148)
Impairment charge	–	(577)	(577)
Discontinued operations	17,839	25,886	43,725
At 31 December 2015	–	–	–
Net book value			
At 31 March 2014	17,839	28,011	45,850
At 31 March 2015	–	–	–
At 31 December 2015	–	–	–

The carrying value of the Company's investments was linked to the potential development of the Group's oil and gas assets. As set out in note 11, the Company has disposed of all of its oil and gas subsidiaries. Prior to the disposal of the subsidiaries the carrying values in relation to both the Group's exploration and evaluation assets and the Company's investment in subsidiaries was € nil. All intercompany loans receivable were waived by Amryt prior to the disposal of the subsidiaries.

List of Subsidiary Companies

Subsidiary Company	Activities	Incorporation	% holding 31 December 2015	% holding 31 March 2015
Pathfinder Hydrocarbon Ventures Limited	Oil and Gas Exploration	Jersey	–	100
Fastnet Oil and Gas (Ireland) Limited	Oil and Gas Exploration	Ireland	–	100

13 Trade and other receivables

	Group		Company	
	31 December 2015 €'000	31 March 2015 €'000	31 December 2015 €'000	31 March 2015 €'000
Prepayments and accrued income	21	95	21	89
VAT recoverable	65	62	65	60
Prepaid costs of reverse takeover	196	–	196	–
Trade and other receivables	283	157	283	149

As part of the demerger of the Company's oil and gas assets an unsecured four year term loan of €660,000 was granted to finance the residual running of the oil and gas assets (see note 11). The operations of the trust structure set up to manage the oil and gas assets are managed entirely separately from the remaining operations of Amryt. The Company has fully provided for the loan advanced in the current period with an impairment charge of €660,000 recognised in the current period income statement.

14 Cash and cash equivalents

	Group		Company	
	31 December 2015 €'000	31 March 2015 €'000	31 December 2015 €'000	31 March 2015 €'000
Bank deposit accounts	12,517	15,101	12,517	15,080
Bank current accounts	108	94	108	32
Cash and cash equivalents	12,625	15,195	12,625	15,112

No notice is required to access funds held in deposit accounts.

15 Share capital – Company

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

Date	Number of ordinary shares	Total Share Capital €'000	Total Share Premium €'000
At 31 March 2015 & 31 December 2015	43,171,134	18,336	35,221

On 19 April 2016, every 8 ordinary shares of par value 3.8p in the Company at close of business on 18 April 2016 (total shares 345,369,071) became 1 new ordinary share of par value 1p (total shares 43,171,134) and 1 deferred share of par value 29.4p (total

shares 43,171,134). The rights attaching to the new ordinary shares of 1p will be identical in all respects to those of the old ordinary shares of 3.8p.

The deferred shares created are effectively valueless as they will not carry any rights to vote or dividend rights. In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares of 1p each have received a payment of £10,000,000 on each such share. The deferred shares are not and will not be listed or traded on the Official List, AIM, the ESM or any other investment exchange and are only transferable in limited circumstances.

16 Share-based payments

The Company has issued share options as an incentive to certain senior management and staff. In addition the Company has issued warrants to key consultants, advisers and suppliers in payment or part payment for services or supplies provided to the Group. All share options and warrants were granted under individual agreements as no company scheme was in place during the periods when the share options and warrants were granted. The share options and warrants outstanding at period end are not subject to any vesting conditions.

Apart from the Share Appreciation Rights described below, each share option and warrant converts 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.

Share options and warrants in issue:

	Share Options[1]		Warrants[1]	
	Units	Weighted average exercise price	Units	Weighted average exercise price
Balance at 1 April 2014	10,355,327	17.6p	7,292,096	15.6p
Granted during the year	7,750,000	9.0p	–	–
Lapsed during the year	(5,000,000)	14.0p	–	–
Balance at 31 March 2015	13,105,327	15.1p	7,292,096	15.6p
Exercisable at 31 March 2015	8,605,327	9.5p	7,292,096	15.6p
Balance at 1 April 2015	13,105,327	15.1p	7,292,096	15.6p
Lapsed during the period	(6,577,697)	19.8p	(3,360,000)	19.0p
Balance at 31 December 2015	6,527,630	10.5p	3,932,096	12.8p
Exercisable at 31 December 2015	6,527,630	10.5p	3,932,096	12.8p

1 Following the post period end share consolidation, as described in note 15, all existing rights attached to share options and warrants were amended to reflect the new share structure. The rights are now over Amryt Pharma plc new ordinary shares of 1p, with the units divided by a factor of 8 and the exercise price increased by a factor of 8.

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. The following are the inputs to the model for the equity instruments granted during the previous year:

	Options Ranges
Expected life in days	1,461-1,825
Volatility	49%-56%
Risk free interest rate	1.80%-1.84%
Share price at grant	5.7p-10.75p

During the prior year a total of 7,750,000 share options exercisable at a weighted average price of £0.09 were granted. The fair value of share options granted during the prior year was €93,000. The share options outstanding as at 31 December 2015 have a weighted remaining contractual life of 1.9 years with exercise prices ranging from £0.038 to £0.15.

The warrants outstanding as at 31 December 2015 have a weighted remaining contractual life of 1.1 years with exercise prices ranging from £0.11 to £0.14.

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

	Group and Company	
	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Share options	40	188
Warrants	–	–
Share appreciation rights	–	(71)
Total	40	117

In addition to the above charges, a further €52,000 was capitalised to intangible assets during the prior year.

Share Appreciation Rights

The Company issued Share Appreciation Rights ("SAR") to a non-executive Director that required the Company to pay the intrinsic value of the SAR to the Director at the date of exercise. The SAR lapsed during the period unvested.

17 Trade and other payables

	Group		Company	
	31 December 2015 €'000	31 March 2015 €'000	31 December 2015 €'000	31 March 2015 €'000
Trade payables	278	230	278	124
Accrued expenses	168	205	168	78
Social security costs and other taxes	3	22	3	3
Trade and other payables	449	457	449	205

18 Related party transactions

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Company. In the opinion of the Board, the Company's key management are the Directors of Amryt Pharma plc.

Amounts included in the Financial Statements, in aggregate, by category of related party are as follows:

	Group		Company	
Directors	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000	9 months to 31 December 2015 €'000	12 months to 31 March 2015 €'000
Directors remuneration (short term benefits)	224	868	224	868
Share based payments	23	53	23	53
Sub total	247	921	247	921
Related party transactions with Directors				
Consulting fees	222	183	222	177
Office facilities and administration	46	26	–	–
Other fees	28	621	24	621
Total	530	1,751	493	1,719

19 Financial risk management

The Group's operations expose it to some financial risks arising from its use of financial instruments, the most significant ones being liquidity, market risk and credit risk. The Board of Directors is responsible for the Group and Company's risk management policies and whilst retaining responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The main policies for managing these risks are as follows:

Liquidity risk

The Group is not subject to any externally imposed capital requirement, accordingly the Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Working capital forecasts are prepared to ensure the Group has sufficient funds to complete contracted work commitments.

The following table shows the maturity profile of current assets and current liabilities of the Group:

31 December 2015	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Total
Current assets	12,625	–	–	12,625
Current liabilities	380	–	69	449

31 March 2015	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Total
Current assets	15,257	–	–	15,257
Current liabilities	386	–	71	457

Capital management

The Group considers its capital to be its ordinary share capital, share premium, other reserves and retained deficit. The Group manages its capital to ensure that entities within the Group will be able to continue individually as going concerns, while maximising the return to shareholders through the optimisation of debt and equity balances. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. On a regular basis, management receives financial and operational performance reports that enable continuous management of assets, liabilities and liquidity. No changes were made in the objectives, policies or processes during the period/year ended 31 December 2015 and 31 March 2015.

Market risk

Market risk arises from the use of interest bearing financial instruments and represents the risk that future cash flows of a financial instrument will fluctuate as a result of changes in interest rates. It is the Group's policy to ensure that significant contracts are entered into in its functional currency whenever possible and to maintain the majority of cash balances in the functional currency of the Company. The Group considers this policy minimises any unnecessary foreign exchange exposure. In order to monitor the continuing effectiveness of this policy the Board reviews the currency profile of cash balances and managements accounts.

During the period, the Group earned interest on its interest bearing financial assets at rates between 0.05% and 0.9%. The effect of a 1% change in interest rates obtainable during the period on cash and on short-term deposits would be to increase or decrease the Group loss before tax by €140,000.

In addition to cash balances maintained in €, the Group had balances in £ and US$ at period-end. A theoretical 10% adverse movement in the period end €:£ exchange rate would lead to an increase in the Group loss before tax by €4,000 with a corresponding reduction in the Group loss before tax with a 10% favourable movement. A theoretical 10% adverse movement in €:US$ exchange rates would lead to an increase in the Group loss before tax by €27,000 with a corresponding reduction in the group loss before tax with a 10% favourable movement.

A currency split of the Group's net assets at 31 December 2015 and 31 March 2015 was as follows:

	Net Assets €'000	Assets €'000	Liabilities €'000
31 December 2015			
€	12,125	12,242	117
US$	270	270	–
£	64	396	332
	12,459	12,908	449

	Net Assets €'000	Assets €'000	Liabilities €'000
31 March 2015			
US $	14,927	15,044	117
£	66	202	136
€	(91)	113	204
	14,902	15,359	457

Credit risk

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss. Credit risk arises from cash and cash equivalents and from exposure via deposits with the Group and Company's bankers. In addition, credit risk arises on unsecured loans advanced during the period (see notes 11 and 13 in relation to the €660,000 loan advanced as part of the demerger of oil and gas assets). For cash and cash equivalents, the Group and Company only uses recognised banks with high credit ratings.

Categories of Group and Company financial instruments

	Group		Company	
	31 December 2015 €'000	31 March 2015 €'000	31 December 2015 €'000	31 March 2015 €'000
Financial assets:				
Cash and cash equivalents	12,625	15,195	12,625	15,112
Total financial assets	12,625	15,195	12,625	15,112
Financial liabilities:				
Trade and other payables	449	457	449	205
Total financial liabilities	449	457	449	205
Net	12,176	14,738	12,176	14,907

All financial assets are categorised as loans and receivables and all financial liabilities are categorised as financial liabilities measured at amortised cost. The amortised cost of all financial assets and liabilities shown above is considered to also be the fair value of the Group's and the Company's assets and liabilities.

20 Capital commitments and contingencies

On 16 October 2015, the Company signed non-binding heads of terms with Amryt Pharmaceuticals DAC ("Amryt DAC"), for the acquisition of Amryt DAC's entire issued and to be issued share capital. The acquisition was completed on 18 April 2016 and on the same date Amryt Pharmaceuticals DAC completed the acquisitions of Birken AG ("Birken") and SomPharmaceuticals ("SOM"), for consideration satisfied by the issue of new ordinary shares in the Company. To complete the acquisition of Amryt DAC a total of 123,495,095 new ordinary shares of 1p in the Company at an issue price of 24p were issued ("Consideration Shares"). The total consideration settled for the acquisition was £29.64 million (€37.48 million).

Som acquisition

Amryt DAC entered into conditional stock purchase agreements to acquire SomPharmaceuticals S.A and SomTherapeutics, Corp on 15 December 2015 and 4 December 2015 respectively ("Som SPAs"). The aggregate consideration payable under the Som SPAs was US$4.25 million which was satisfied by the issue of US$4.15 million in new ordinary shares in Amryt DAC and US$100,000 in cash to the shareholders of SOM. The SOM SPAs were completed on 18 April 2016. The SOM sellers received 12,277,102 of Consideration Shares for their shareholding in Amryt DAC.

Birken acquisition

Amryt DAC signed a conditional SPA to acquire Birken on 16 October 2015 (the "Birken SPA"). The Birken SPA was completed on 18 April 2016. Under the terms of the Birken SPA the shareholders in Birken received:

- An initial payment of €1 million (this was paid by Amryt DAC prior to its acquisition by the Company);
- Milestone payments totalling up to €50 million payable on achieving certain regulatory approvals and sales targets in relation to Episalvan and other betulin products. €10 million of which was paid in April 2016 on the successful completion of the reverse takeover of the Company by Amryt DAC;
- Royalties of 9% on sales of Episalvan products for 10 years from first commercial sale; and
- Shares in Amryt DAC to equate to a 30% equity shareholding prior to the acquisition of Amryt DAC by the Company. The Birken sellers received 37,048,612 in Consideration Shares for their shareholding in Amryt DAC.

21 Events after the reporting period

On the 19 April 2016 the Company commenced trading on AIM and ESM under the name Amryt Pharma plc. This followed the successful reverse takeover of Fastnet Equity plc by Amryt Pharmaceuticals DAC ("Amryt DAC"), the renaming of the resulting company as Amryt Pharma plc and a placing of 41,673,402 new ordinary shares at 24 pence per new ordinary share, par value 1p, to raise £10.0 million (€12.6 million) before expenses. On admission, the Company had 208,339,631 ordinary shares. On the same date the Company changed its financial reporting year end from 31 March to 31 December.

Amryt Pharmaceuticals DAC was incorporated in August 2015 as a platform to acquire, build, develop and subsequently monetise a pipeline of patent protected, commercially attractive, proprietary drug candidates targeting best in class performance chosen to meet the Orphan Drug Designation criteria. In line with its strategy, Amryt Pharmaceuticals DAC entered into agreements, conditional, *inter alia*, on admission, to acquire the entire issued share capital of each of Birken and Som under the Birken SPA and Som SPAs respectively. Further information on Birken and Som is set out below.

Birken AG ("Birken") is a revenue generating pharmaceutical development and manufacturing company based in Germany that has developed a new therapy for the treatment of partial thickness wounds ("PTWs"). Birken was founded by Dr. Armin Scheffler and prior to acquisition had received €54 million of investment from the Software AG Stiftung Foundation, one of the largest charitable foundations in Germany. Birken's operations are based in the state of Baden-Württemberg.

SomPharmaceuticals S.A. ("Som") is a Swiss based biopharmaceutical company focused on developing novel somatostatin analogue ("SSA") peptide medicines for patients with rare neuroendocrine diseases with high unmet need. These disorders are caused by pituitary brain tumours that either overproduce growth hormone, leading to a disease known as acromegaly oradrenocorticotropic hormone, or cause a disease known as Cushing's disease. First line treatment for these patients is surgical removal of the tumour. However, in many patients, surgery is noncurative and they have persistent disease that requires an alternative pharmaceutical therapy such as SSAs.

The acquisition of Amryt DAC by the Company was effected by means of a share for share exchange. Accordingly, the premium in these shares will be accounted for under S612 Companies Act 2006.

The acquisition of both Birken and Som by Amryt DAC will be assessed by the Directors for their appropriate accounting treatment. As the acquisitions have only recently completed after the accounting period end, the Directors do not believe that they have sufficient information to reasonably calculate or disclose any provisional fair value figures. Details of the consideration for the acquisitions is included in note 20.

Company Information

Registered Office
Ivybridge House
1 Adam Street
London, WC2N 6LE
United Kingdom

Company Number
5316808

Directors
Harry Stratford – Non-executive Chairman
Joseph Wiley – CEO
Rory Nealon – CFO/COO
James Culverwell – Non-executive Director
Ray Stafford – Non-executive Director
Cathal Friel – Non-executive Director

Company Secretary
Rory Nealon

Company Website
www.amrytpharma.com

AIM Nominated Adviser
Shore Capital and Corporate Limited
Bond Street House
14 Clifford Street
London, W1S 4JU
United Kingdom

Joint Broker
Shore Capital Stockbrokers Limited
Bond Street House
14 Clifford Street
London, W1S 4JU
United Kingdom

Joint Broker
Stifel Nicolaus Europe Limited
150 Cheapside
London, EC2V 6ET
United Kingdom

ESM Adviser and Joint Broker
J & E Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Solicitors
Kuits Steinart Levy LLP
3 St Mary's Parsonage
Manchester, M3 2RD
United Kingdom

Auditors
BDO LLP
55 Baker Street
London, W1U 7EU
United Kingdom

Registrars
Capita Asset Services
The Registry
34 Beckenham Road
Kent, BR3 4TU
United Kingdom

AMRYT
PHARMA

Amryt Pharma plc

Ivybridge House
1 Adam Street
London
WC2N 6LE

18 Fitzwilliam Place
Dublin 2
Ireland

www.amrytpharma.com