Amryt Pharma plc
Annual Report 2020

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Contents

STRATEGIC REPORT:
General Information

We are pleased to present the annual report and financial statements of Amryt Pharma plc for the 12 months ended 31 December 2020. As used herein, references to "we", "us", "Amryt" or the "Group" in this annual report shall mean Amryt Pharma plc and its world-wide subsidiaries, collectively. References to the "Company" in this annual report shall mean Amryt Pharma plc.

Amryt Pharma plc (''Company") is a company incorporated in England and Wales. The Company's American Depositary Shares ("ADSs") have been listed on the NASDAQ Global Select Market ("NASDAQ") since 8 July 2020 and its shares are also quoted on the Alternative Investment Market ("AIM"), a sub-market of the London Stock Exchange (ticker: AMYT). In September 2020, Amryt cancelled the admission of the Company's Ordinary Shares to trading on the Euronext Growth Market in Dublin. The last day of trading in Ordinary Shares on the Euronext Growth Market was 8 September 2020.

We were incorporated under the Companies Act 2006 ("Companies Act") on 17 July 2019 as a private company limited by shares under the name Amryt Pharma Holdings Limited, with company number 12107859. We were re-registered as a public limited company on 13 September 2019 under the name Amryt Pharma Holdings Limited. On 24 September 2019, Amryt Pharma Holdings plc became the new parent company of Amryt Pharma plc pursuant to a scheme of arrangement between Amryt Pharma plc and its shareholders under Part 26 of the Companies Act. Amryt Pharma Holdings Limited changed its name to Amryt Pharma plc.

The consolidated accounts comprise the financial statements for the Group for the 12 months ended 31 December 2020 and 2019. The 2019 financial statements incorporate the results of Aegerion Pharmaceuticals, Inc. ("Aegerion") from the date of acquisition, 24 September 2019 to 31 December 2019. The 2019 financial statements for the Company relate to the period from the date of incorporation in July 2019 to 31 December 2019, these are not statutory accounts for the Company which have been prepared separately for the period ended 31 July 2020.

Aegerion, a former subsidiary of Novelion Therapeutics Inc., is a rare and orphan disease company with a diversified offering of multiple commercial and development stage assets. Following the acquisition of Aegerion by Amryt in September 2019, the acquisition gave Amryt an expanded commercial footprint to market two US and EU approved products, lomitapide (Juxtapid® (US) / Lojuxta® (EU)) and metreleptin (Myalept® (US) / Myalepta® (EU)).

The functional currency of the Group and Company is US dollars.

STRATEGIC REPORT:
Our Business

Amryt is a global commercial-stage biopharmaceutical company focused on acquiring, developing and commercialising novel treatments to help improve the lives of patients with rare and orphan diseases. Amryt comprises a strong and growing portfolio of commercial and development assets. Amryt's commercial business comprises two orphan disease products – metreleptin (Myalept®/ Myalepta®) and lomitapide (Juxtapid®/ Lojuxta®).

Myalept®/Myalepta® (metreleptin) is approved in the US (under the trade name Myalept®) as an adjunct to diet as replacement therapy to treat the complications of leptin deficiency in patients with congenital or acquired generalised lipodystrophy ("GL") and in the EU (under the trade name Myalepta®) as an adjunct to diet for the treatment of leptin deficiency in patients with congenital or acquired GL in adults and children two years of age and above and familial or acquired partial lipodystrophy ("PL") in adults and children 12 years of age and above for whom standard treatments have failed to achieve adequate metabolic control.

Juxtapid®/Lojuxta® (lomitapide) is approved as an adjunct to a low-fat diet and other lipid-lowering medicinal products for adults with the rare cholesterol disorder, Homozygous Familial Hypercholesterolaemia ("HoFH") in the US, Canada, Colombia, Argentina and Japan (under the trade name Juxtapid®) and in the EU, Israel and Brazil (under the trade name Lojuxta®).

Amryt's lead development candidate, Oleogel-S10 (Filsuvez®) is a potential treatment for the cutaneous manifestations of Junctional and Dystrophic ("JEB" and "DEB") Epidermolysis Bullosa, a rare and distressing genetic skin disorder affecting young children and adults for which there is currently no approved treatment. In September 2020, Amryt received positive results from its EASE pivotal Phase 3 trial in EB. EASE was the largest ever global Phase 3 study conducted in patients with EB and is the first Phase 3 trial ever to demonstrate positive results in this devastating condition. Amryt is currently progressing regulatory submissions for Oleogel-S10 with the relevant authorities in both the US and Europe and preparing for launch, if approved. Filsuvez® has been selected as the brand name for Oleogel-S10. The product does not currently have regulatory approval to treat EB.

Amryt's pre-clinical gene therapy platform, AP103, offers a potential treatment for patients with DEB, and is also potentially relevant to other genetic disorders.

We have a proven track record of obtaining rare disease assets, either through acquisition or in-license, and we intend to continue building our portfolio of rare disease programs with the goal of delivering effective treatments to patients in need. For more information on Amryt, including products, please visit www.amrytpharma.com.

STRATEGIC REPORT:
Chairman & Chief Executive's Statement and Business Review

Since Amryt was formed in 2015, we have undergone a transformational period of growth characterised by consistent execution as we have successfully grown both our commercial products and development pipeline assets. Having acquired Aegerion in September 2019, we are pleased to report that the integration was successfully completed ahead of schedule, with the combined business turning EBITDA positive and cash generative in Q1 2020.

2020 was another year of strong performance and growth for our business. In financial terms, our revenues were $182.6M for the 12 months ended 31 December 2020. Both our commercial products (metreleptin and lomitapide) delivered significant market expansion in existing and new territories and this positive momentum was complemented by some very significant progress for our lead development candidate, Oleogel-S10.

Our pivotal global Phase 3 study ("EASE") investigating Oleogel-S10 in EB was the largest ever Phase 3 study in EB and in September 2020, became the first ever study to demonstrate positive results in this devastating condition. We are actively progressing our submissions to the regulatory authorities in the US and Europe and are preparing for launch of Oleogel-S10, if approved. We have the management team, systems and infrastructure in place to continue to grow our existing commercial products and we will be able to leverage these capabilities to launch Oleogel-S10, if approved.

COVID-19

Despite the challenges presented by COVID-19, our team and our business model proved resilient and capable of overcoming these challenges. Our core focus throughout the period has been to ensure the safety and welfare of our people and all the stakeholders we engage with. We are very encouraged and humbled by the collective efforts of all our team and partners, that have helped us not only operate, but succeed, through such an exceptional period for everyone. To date, the operational and financial impact of COVID-19 on our business has not been significant and we are encouraged by the vaccine program roll-out across our markets and are optimistic regarding the positive impact this will have on many of our stakeholders and partners in the coming year.

Strategy Update

During 2020, we continued to execute on our strategy to acquire, develop and commercialise novel treatments for rare and orphan diseases. Amryt has a global portfolio of commercial and development-stage rare disease assets, including two high-value commercial assets and multiple development opportunities in complementary global markets. We have a demonstrable track record of execution, integration, delivering synergies and driving growth from acquired businesses and our global infrastructure is primed and ready to acquire more assets. We believe we have the expertise and capacity to help acquired assets reach their full potential within the Amryt framework. We are encouraged by our business development pipeline and we believe we will continue to find and add complementary products to Amryt's pipeline that will enable us to grow revenues, EBITDA and cash generation into the future.

Operational Performance

Our two commercial products, metreleptin and lomitapide, performed strongly in 2020 and delivered growth across a host of metrics including revenue and EBITDA growth, cash generation and market expansion. During the year, we continued to advance national reimbursement discussions for our commercial products in key markets. In December 2020, we received Ministry of Health reimbursement approval for lomitapide in Saudi Arabia and also in December 2020, we received Marketing Authorisation Approval for lomitapide in Brazil.

In October 2020, we signed a distribution agreement for lomitapide with Swixx BioPharma AG ("Swixx") across seventeen jurisdictions in CEE. This follows on from Amryt's appointment in June 2020 of Swixx as exclusive distributor of metreleptin across the CEE territories.

We have also made significant progress evaluating additional potential development opportunities for both our commercial products in 2020, in particular in Familial Chylomicronemia Syndrome ("FCS") for lomitapide and in a PL indication for metreleptin in the US.

Oleogel-S10

A key milestone in Amryt's history was reached in September 2020, when we received positive results from our EASE pivotal Phase 3 trial in EB. EASE was the largest ever global Phase 3 study conducted in patients with EB and is the first Phase 3 trial ever to demonstrate positive results in this devastating condition. Below is a summary of the trial results:

- The primary endpoint of the trial was achieved and demonstrated a statistically significant acceleration of target wound healing by day 45 in patients treated with Oleogel-S10 versus control gel (p-value = 0.013) representing a 44% increase in target wound closure with Oleogel-S10 as compared to the control gel.
- The Recessive Dystrophic EB ("RDEB") sub-group experienced a greater benefit when treated with Oleogel-S10 than the overall population (nominal p-value = 0.008) representing a 72% increase in target wound closure with Oleogel-S10 versus the control gel. Favourable trends were evident among secondary endpoints including change in procedural pain, total body wound burden based on EBDASI score and affected body surface area percentage. Oleogel-S10 had an acceptable safety profile and was well tolerated when compared with the control gel.
- EASE trial data were presented as a late-breaking abstract at the 29th EADV (European Association of Dermatology and Venereology) Virtual Congress 2020.

We are currently progressing regulatory submissions for Oleogel-S10 with the relevant authorities in both the US and Europe and are preparing for launch, if approved.

AP103

During 2020, we also progressed our pre-clinical gene therapy ("AP103") which offers a potential treatment for patients with DEB and this novel gene therapy delivery platform is also potentially relevant to other genetic disorders. AP103 is currently in preclinical development. We intend to initiate clinical development in the second half of 2022. In September 2020, the European Medicines Agency ("EMA") Committee for Orphan Medicinal Products ("COMP") adopted a positive opinion for orphan designation for the use of AP103 in EB. In December 2020, the US Food and Drug Administration ("FDA") granted Orphan Drug Designation for AP103 in the treatment of DEB.

NASDAQ Listing

Amryt listed on NASDAQ on 8 July 2020. The NASDAQ listing has given Amryt the opportunity to target a wider investor audience and increase our analyst coverage in a core market for Amryt. With nearly 75% of our shareholders based in North America, listing on NASDAQ is an important part of our shareholder engagement and development plans. Since listing on NASDAQ, there has been a marked increase in US based institutional investor interest in Amryt and this led to a number of new institutional shareholders joining our register. We also had a number of US based investment banks initiate research coverage of Amryt including SVB Leerink, Canaccord Genuity and Cantor Fitzgerald. This in turn has led to the Amryt investment case reaching a wider investor audience in the US. We believe our NASDAQ listing will significantly assist our efforts to drive value for all our stakeholders in the future.

Financial Position

Cash generated from operating activities in 2020 was $26.9M. In December 2020, Amryt raised gross proceeds of $40M by way of a private placement with a mix of new and existing institutional investors. Amryt's year-end unrestricted cash balance of $118.6M compares to $65.2M at 31 December 2019. This represents the strong performance of our business during 2020.

Amryt's debt facilities comprise a term loan of $87.3M and a convertible facility of $125.0M. Amryt's debt maturity profile offers significant flexibility. No principal repayments are due on the term loan until September 2024 and on the convertible facility until April 2025.

STRATEGIC REPORT:
Chairman & Chief Executive's Statement and Business Review continued

Corporate Governance

Amryt has a clear corporate governance framework and our goal is to operate with integrity and excellence in all that we do. This framework and a summary of the work of the board is contained in the Corporate Governance section of this report on pages 36 to 64. As an AIM quoted company, we are required to formally adopt a corporate governance code, as well as disclose details of our compliance with that code and where we depart from the code, provide an explanation of the reasons for doing so.

The Amryt Board adopted the Quoted Companies Alliance Code (the "QCA Code") on 25 September 2018. The Board of Directors acknowledge the importance of the ten principles set out in the QCA Code and details of our compliance with the code can be found in the Corporate Governance section of this Annual Report for the 12 months ended 31 December 2020 as well as on our website – www.amrytpharma.com.

Our People

We continued to augment the senior management team through 2020 to ensure we are adequately resourced as we grow our business both organically and through acquisition and to ensure we have all the resources in place for the launch of Oleogel-S10, if approved. We now have in place an exceptionally strong leadership team and also have the necessary commercial, regulatory and medical infrastructure in place across the US, EMEA and LATAM to execute our growth plans.

All of our success to date has been achieved through the collective effort of our team across the US, EMEA and LATAM. We would like to, once again, take this opportunity to sincerely thank the wonderful Amryt team for all of their dedication, support and efforts during 2020.

Section 172 Statement

From the perspective of the Directors, the matters for consideration under Section 172 of the Companies Act ("s172") have been considered to an appropriate extent by the Group. Such consideration is included in the statements set out below, noting the Directors' duty under s172 to act in good faith to promote the success of the Group and Company for the benefit of its shareholders but having regard amongst other matters to the following:

- the likely consequences of any decision in the long term;
- the interests of the Group's and Company's employees;
- the need to foster the Group's and Company's business relationships with customers and other stakeholders;
- the impact of the Group's and Company's operations on the community and the environment;
- the desirability of the Group and Company maintaining a reputation for high standards of business and conduct; and
- the need to act fairly as between members of the Group and Company.

For the Group, compliance is one of the cornerstone values and forms the basis of all decisions and activities. It is the key to integrity in conducting business and as a global business. The Directors are committed to ensuring that all business is carried out in full accordance with the law as well as internal rules and principles.

Outlook

Since 2015, Amryt has pursued a strategy and created a business model that we believe is flexible and adaptable over time. We are very positive about the growth prospects for lomitapide and metreleptin and during 2020 have continued to focus on ensuring we can expand the reach of both products by market and geography. Our confidence in our development pipeline is significantly bolstered by the positive results from the EASE trial and we are preparing for the launch of Oleogel-S10, if approved. We also continue to pursue and are encouraged by other potential opportunities within our development pipeline. The strong momentum in our business gives us confidence as we continue to seek opportunities where Amryt's skills and infrastructure can be best deployed to bring innovative therapies to patients in need.

Post Balance Sheet Events

Proposed Acquisition of Chiasma, Inc

On 5 May 2021, we announced that we have signed a definitive agreement to acquire Chiasma, Inc. (NASDAQ: CHMA) in an all-stock combination. The combined company will be a global leader in rare and orphan diseases with three on-market commercial products, a global commercial and operational footprint and a significant development pipeline of therapies with the financial flexibility to execute its growth plans. The transaction is expected to pave a path to a combined potential $1BN peak revenue for Amryt and is expected to deliver estimated annual cost synergies of approximately $50M and be revenue and EBITDA accretive and cash generative in the first full calendar year of combined operations and substantially accretive thereafter. This transaction brings together two teams that have a strong track record of execution and passion for developing therapies that can help improve the lives of patients in need.

The addition of Chiasma's Mycapssa®, which was recently launched in the US, to Amryt's commercial product portfolio represents a strong strategic, operational and commercial fit given the significant call-point overlap that exists across our portfolio. We believe there is significant revenue growth opportunities for Mycapssa® in acromegaly and are also very excited to further develop the potential for Mycapssa® in patients with carcinoid symptoms stemming from neuroendocrine tumors ("NET"), where we believe the commercial opportunity is significant. With the addition of NET, our combined pipeline will have four product candidates in late clinical stages as well as our exciting pre-clinical gene therapy asset, AP103 in DEB. Chiasma employs a Transient Permeability Enhancer ("TPE") technology platform which seeks to develop oral medications that are currently only available as injections and we are excited by the potential to leverage TPE for other products.

With this transaction, we believe that we can continue the strong growth trajectory already underway at Amryt and have the financial strength to execute our future growth plans.

We will be providing you with further updates on Amryt's progress throughout 2021.

Oleogel-S10 Update

On 2 June 2021, the FDA accepted for filing Amryt's New Drug Application ("NDA") for Oleogel-S10 for the treatment of EB. On 3 June 2021, the FDA granted Priority Review for Amryt's NDA for Oleogel-S10. Priority Review is granted by the FDA to applications for medicines that, if approved, would provide significant improvements in the effectiveness or safety of the treatment, diagnosis, or prevention of serious conditions when compared to standard applications. In general, the FDA's Priority Review designation accelerates the review time from ten months to a goal of six months from the date of acceptance of the filing. The FDA has set a Prescription Drug User Fee Act ("PDUFA") target action date for the Oleogel-S10 NDA of November 30, 2021. Oleogel-S10 previously received Fast Track Designation and Rare Pediatric Disease Designation from the FDA. If the NDA for Oleogel-S10 is approved, the Company will apply for a priority review voucher.

Lastly, we would like to take this opportunity to thank you, our shareholders, for your support during the past 12 months and we look forward to hopefully seeing you in person again as soon as possible.

Ray Stafford
Non-Executive Chairman

Dr Joe Wiley
Chief Executive Officer

23 June 2021

STRATEGIC REPORT:
Performance Highlights

2020 was an exceptional year of performance and record growth for Amryt. Our two commercial products, metreleptin and lomitapide continue to deliver growth across a host of metrics including revenue and EBITDA growth, cash generation and market expansion. Our EASE study investigating Oleogel-S10 in EB was the first ever Phase 3 study to demonstrate positive results in this devastating disease and we are currently progressing regulatory submissions with the relevant authorities in both the US and Europe and preparing for launch, if approved. 2020 was a challenging year for us all as a result of the global pandemic but our business model proved resilient and capable of overcoming the challenges the pandemic presented.

With a strong focus on continuous product development, revenue expansion and cash generation, we believe 2021 will be a year of continued performance and further growth for the Group.

Some financial and operational highlights of the Group's performance in 2020 and 2021 to date are as follows:

2020 Financial Highlights

The 2020 audited financial results reflect the first full year of the combined Amryt and Aegerion business. The 2019 audited financial results reflect the acquisition of Aegerion from 24 September 2019 and are not reflective of the performance of the combined businesses for a full year. Total reported revenues of $58.1M reflect sales of the legacy Amryt business for the full financial year, plus sales of the acquired Aegerion business with effect from 24 September 2019.

To aid comparison, we also report unaudited combined revenues[1] that reflect the combined businesses, had they been integrated for a full financial year in 2019.

- 2020 Revenues increased by 18.5% for the year ended 31 December 2020 to $182.6M (2019: $154.1M[1])
- Metreleptin generated revenues of $106.9M (2019: $85.4M[1]) representing an increase of 25.2%
- Lomitapide generated revenues of $74.7M (2019: $68.0M[1]), representing a growth rate of 10.0%
- The significant growth in metreleptin revenues was driven by the ongoing rollout of MYALEPTA® in Europe following the approval of the product by the EMA in Q3 2018

[1] Unaudited combined revenues for 2019 represent the combined unaudited revenues of the Company assuming the acquisition by Amryt of Aegerion happened on 1 January 2019. It also (i) excludes revenues from sales to end-users in Japan following the out-licencing of Juxtapid to Recordati in February 2019, (ii) excludes up-front payments from Recordati in 2019, and (iii) includes a 22.5% royalty on Japanese sales of Juxtapid from 1 January 2019 as if the Recordati agreement was in place from that date.

Non-GAAP adjusted 2020 results

US$ (Million)	2019 (restated) *	2020	Non-cash Items[3]	2020 Non-GAAP Adjusted[2]
Revenue	**58.1**	**182.6**	**–**	**182.6**
Gross profit	19.4	63.6	70.6	134.2
R&D expenses	(15.8)	(27.6)	–	(27.6)
SG&A expenses	(35.5)	(76.7)	1.5	(75.2)
Restructuring & acquisition costs	(13.1)	(1.0)	–	(1.0)
Share based compensation expenses	(0.8)	(4.7)	4.7	–
Impairment charge	(4.7)	–	–	–
Operating (loss) / profit before finance expense	**(50.5)**	**(46.4)**	**76.8**	**30.4**
Unrestricted cash & cash equiv.	65.2	118.6	–	118.6

* see Note 27 of the financial statements

The 2020 operating loss of $46.4M includes the impact of non-cash items including amortisation, depreciation and the impact of share-based compensation expenses. Adjusting for these non-cash items, the Company delivered $30.4M of EBITDA[2] in FY 2020.

[2] EBITDA is earnings before interest, tax, depreciation, amortisation and share based compensation expenses. To supplement Amryt's financial results presented in accordance with IFRS generally accepted accounting principles, the Company uses EBITDA as a key measure of company performance as the Company believes that this measure is most reflective of the operational profitability or loss of the Company and provides management and investors with useful supplementary information which can enhance their ability to evaluate the operating performance of the business. EBITDA, as measured by the Company, is not meant to be considered in isolation or as a substitute to operating profit / loss attributable to Amryt and should be read in conjunction with the Company's condensed consolidated financial statements prepared in accordance with IFRS.

[3] Non-cash items include amortisation of the acquired metreleptin and lomitapide intangible assets ($43.0M), amortisation of the inventory fair value step-up that was acquired at the acquisition date ($27.6M), depreciation and amortisation ($1.5M) and share based compensation expenses ($4.7M).

2020 Business Highlights

- In September 2020, Amryt announced positive results from its pivotal Phase 3 EASE trial in EB. EASE is the largest Phase 3 trial ever conducted in EB.

  The primary endpoint of the trial was achieved and demonstrated a statistically significant acceleration of target wound healing by day 45 in patients treated with Oleogel-S10 versus control gel (p-value = 0.013) representing a 44% increase in target wound closure with Oleogel-S10 versus the control gel.

  The RDEB sub-group experienced a greater benefit when treated with Oleogel-S10 than the overall population (nominal p-value = 0.008) representing a 72% increase in target wound closure with Oleogel-S10 vs the control gel. Favourable trends were evident among secondary endpoints including change in procedural pain, total body wound burden based on EBDASI score and affected body surface area percentage. Oleogel-S10 had an acceptable safety profile and was well tolerated when compared with control gel.

  EASE trial data were presented as a late-breaking abstract at the 29th EADV (European Association of Dermatology and Venereology) Virtual Congress 2020

- Amryt listed on the NASDAQ in July 2020.
- In September 2020, the EMA COMP adopted a positive opinion for orphan designation for the use of AP103 in EB. In December 2020, the FDA granted Orphan Drug Designation for AP103 in the treatment of DEB.
- In October 2020, Amryt signed a distribution agreement for lomitapide with Swixx across 17 jurisdictions in CEE. This follows on from Amryt's appointment in June 2020 of Swixx as exclusive distributor of metreleptin across the CEE territories.
- In December 2020, Amryt received Marketing Authorisation Approval for lomitapide in Brazil.
- In December 2020, Amryt received Ministry of Health reimbursement approval for lomitapide in Saudi Arabia.

STRATEGIC REPORT:
Performance Highlights continued

Post-Period End Highlights

- Announced proposed acquisition of Chiasma, Inc. (NASDAQ: CHMA). The transaction has been approved and recommended by the Boards of both Amryt and Chiasma.
- Q1 2021 revenues (unaudited) of $48.4M representing an 8.7% increase on Q1 2020 revenues of $44.6 million. EBITDA (unaudited) of $9.9M was delivered in Q1 2021. 16.5% YoY underlying revenue growth excluding the impact of a LATAM periodic order in Q1 2020.
- Submitted a New Drug Application to the FDA for Oleogel S-10 and on 3 June 2021, the FDA granted Priority Review for Amryt's NDA with a PDUFA date of 30 November 2021.
- Marketing Authorisation Application accepted by the EMA for Oleogel S-10.
- Reimbursement approval from for metreleptin in England, Wales and France.
- Positive feedback from the FDA on the path forward for a metreleptin indication in PL – Phase 3 planned for Q4 2021.
- Positive results reported from an investigator sponsored study of lomitapide in FCS.
- Multi-regional distribution and product agreements signed with Medison Pharma in Canada and Israel.
- Legacy US Department of Justice ("DoJ") fines levied on Aegerion were fully discharged in Q1 2021.

COVID-19 Update

The primary concern of all the Amryt team is to ensure the safety of our colleagues, their families and our patients and partners at this time. Global healthcare systems are operating at, or close to, full capacity and the focus within systems now is to treat those patients in need of acute care. Amryt's business lends itself to remote working and we have successfully transitioned appropriate functions to remote platforms exclusively without incident. The impact of COVID-19 to date on Amryt's business has been minimised and this is a result of deploying contingency plans already in place for a variety of scenarios and challenges which may occur.

Amryt provides therapeutic products to HoFH and lipodystrophy patients globally on a recurring basis. Once lomitapide (for the treatment of HoFH) or metreleptin (for the treatment of lipodystrophy) are prescribed by physicians, patients are typically on treatment over a long period of time with repeat prescriptions for each patient. As such, the majority of our revenues are recurring in nature. During the pandemic our sales teams' deployment in the field is restricted but we continue through remote and virtual physician access as a means to identify new patients that may be suitable for treatment with our products.

Our supply chain is robust and we are confident that we can continue to supply patients for the foreseeable future. We are taking additional steps to further strengthen our inventory levels of both metreleptin and lomitapide. To date, we have not experienced any significant logistical difficulties in delivering product to patients. In major markets such as the US, the UK and Germany, product has historically been delivered direct to patients' homes. In other markets, product has typically been delivered to local hospitals/distributors.

STRATEGIC REPORT:
Our Products and Development Pipeline

Commercial Assets

Metreleptin

Metreleptin is a recombinant analog of human leptin. It is marketed as Myalept® in the US as an adjunct to diet as a replacement therapy to treat the complications of leptin deficiency in patients with congenital or acquired GL. It is marketed as Myalepta® in the EU as an adjunct to diet as a replacement therapy to treat the complications of leptin deficiency in adults and children two years of age and above with congenital or acquired GL. Myalepta® is also approved in the EU for adults and children 12 years of age and above with familial or acquired PL for whom standard treatments have failed to achieve adequate metabolic control with congenital or acquired GL and also congenital or acquired PL. Leptin, which is deficient in patients with GL, is the key hormone responsible for regulating appetite and also has an important regulatory effect on energy expenditure. Leptin is a naturally occurring hormone derived from fat cells and an important regulator of energy, fat and glucose metabolism, reproductive capacity and other physiological functions. The predominant cause of metabolic complications in GL is excess triglyceride accumulation in the liver and skeletal muscle due to the inability to store triglycerides in fat cells. As a result of the deficiency of leptin associated with GL, patients experience significant fatigue as well as hyperphagia, or unregulated appetite. The loss of fat tissue caused by this disease often leads to severe metabolic abnormalities that contribute to increased morbidity and mortality.

Lomitapide

Lomitapide, which is marketed as Juxtapid® in the US and as Lojuxta® in EMEA, is an oral, once-a-day treatment for adult patients with HoFH, as an adjunct to a low-fat diet and other lipid-lowering medicinal products, with or without LDL apheresis. HoFH is a rare genetic disease, which impairs the body's ability to remove LDL cholesterol, or "bad" cholesterol, typically leading to abnormally high LDL cholesterol levels in the blood. HoFH patients are at a high risk of experiencing life-threatening cardiovascular events at an early age as a result of extremely elevated cholesterol levels in the blood and have a substantially reduced life expectancy relative to unaffected individuals. According to a 2013 European Health Journal article, the prevalence of HoFH is one person per million. Aggressive treatment, including dietary modifications plus combination therapy with currently approved lipid lowering drugs at maximum tolerated doses, often fails to reduce LDL cholesterol levels to their recommended targets in these patients. Lomitapide is a small molecule MTP inhibitor with the potential to provide significant reductions in LDL cholesterol levels in this high-risk patient population.

Development Pipeline

Oleogel S-10

Our lead development candidate, Oleogel-S10, is being developed as a potential treatment for the cutaneous manifestations of severe EB, a rare and devastating genetic skin disease affecting young children and adults for which there is currently no approved treatment. EB is a group of diseases of the skin, mucous membranes and internal epithelial linings characterised by extreme skin fragility that blisters and tears from minor friction or trauma. Patients with severe forms of EB, including DEB and JEB, suffer from severe and chronic blistering, ulceration, scarring, mutilating scarring of the hands and feet, joint contractures, strictures of the esophagus and mucous membranes, a high risk of developing aggressive squamous cell carcinomas, infections and risk of premature death. Market research indicates an incidence among live births of one in 20,000, and, when accounting for life expectancy per EB sub-type, there are an estimated 30 patients per million (total EB prevalence in the general population), of which approximately 31% are DEB & JEB patients.

In September 2020, Amryt announced positive results from its pivotal Phase 3 EASE trial in EB. EASE is the largest Phase 3 trial ever conducted in EB.

The primary endpoint of the trial was achieved and demonstrated a statistically significant acceleration of target wound healing by day 45 in patients treated with Oleogel-S10 versus control gel (p-value = 0.013) representing a 44% increase in target wound closure with Oleogel-S10 versus the control gel.

STRATEGIC REPORT:
Our Products and Development Pipeline continued

The RDEB sub-group experienced a greater benefit when treated with Oleogel-S10 than the overall population (nominal p-value = 0.008) representing a 72% increase in target wound closure with Oleogel-S10 vs the control gel. Favourable trends were evident among secondary endpoints including change in procedural pain, total body wound burden based on EBDASI score and affected body surface area percentage. Oleogel-S10 had an acceptable safety profile and was well tolerated when compared with control gel.

Oleogel-S10 has been granted Pediatric Rare Disease Designation by the FDA. If the NDA is granted a priority review and subsequently results in an approval from the FDA, we are eligible to apply for a Priority Review Voucher ("PRV") that we can use, sell or transfer. Amryt is currently progressing regulatory submissions for Oleogel-S10 with the relevant authorities in both the US and Europe, alongside preparing for launch, if approved.

Additional Opportunity for Oleogel-S10

We are also supporting an investigator-led Phase 2 study of Oleogel-S10 for the treatment of severe radiation-induced dermatitis. This trial is expected to commence in July 2021, with data expected in 2022.

AP103 for the treatment of DEB

In March 2018, we acquired the rights to a novel polymer-based topical gene therapy delivery platform for potential use in the treatment of rare genetic diseases. The technology involves the use of highly branched poly β-amino ester ("HPAE") polymers as the topical delivery vehicle for gene therapy. Our first product candidate utilising this platform, AP103, is currently in preclinical development for the treatment of patients with DEB. Patients with DEB have a defect in the COL7A1 gene resulting in the inability to produce collagen VII, which plays an important role in anchoring the dermal and epidermal layers of the skin. AP103 is the combination of this polymer technology and the COL7A1 gene. If successful, we believe this could eliminate the requirement for viruses as topical delivery vectors.

In preclinical studies in a human mouse xenograph model of EB, we observed that topical application of AP103 restored production of collagen VII. In separate preclinical studies, AP103 was observed to restore collagen VII to levels exceeding those produced by healthy human keratinocytes (cells that regenerate the outer layer of the skin). In addition, we did not observe evidence of cellular toxicity after repeated administration in these studies. Our preclinical development of AP103 is ongoing. We intend to initiate clinical development of AP103 in 2022. In September 2020, the EMA's COMP adopted a positive opinion for orphan designation for the use of AP103 in EB and in December 2020, the FDA granted orphan designation for AP103 in the treatment of DEB.

STRATEGIC REPORT:
Our Vision and Strategy

Our vision is to become a leading global rare disease company by acquiring, developing and commercialising medicines that transform the lives of patients & their families around the world. To achieve this vision, we are pursuing the following strategies:

- Drive revenue growth for our existing commercial products. We intend to continue to focus on growing the sales of lomitapide and metreleptin in the markets and indications we currently sell them. We also intend to expand the market opportunity by seeking approval for the use of lomitapide to treat pediatric HoFH and for the use of metreleptin to treat a PL indication in the US.
- Complete regulatory filings with the FDA and EMA and commercialise our lead development candidate, Oleogel-S10, for the treatment of severe EB. The pivotal EASE Phase 3 trial for Oleogel-S10 for the treatment of cutaneous manifestations of severe EB, is now complete and we have made submissions for marketing authorisation with the FDA and EMA. If approved, we intend to commercialise Oleogel-S10 in the US and the EU and evaluate go-to-market strategies for other key markets globally. Amryt will seek a PRV as part of the Oleogel-S10 NDA submission which if granted, we can sell, transfer or use to accelerate the approval of a future Amryt NDA. However, to be eligible for a PRV, Oleogel-S10 must have a Pediatric Rare Disease Designation from the FDA, be granted a priority review by FDA, and ultimately the NDA must be approved by the FDA. Amryt was granted a Pediatric Rare Disease Designation by the FDA in August 2018. On 2 June 2021, the NDA was accepted by the FDA and on 3 June 2021, a priority review for the NDA was granted by the FDA.
- Leverage our global commercial, medical affairs, market access and patient advocacy infrastructure. We intend to leverage this infrastructure and expertise to commercialise our development-stage pipeline, including our lead development candidate, Oleogel-S10, if approved, and any rare disease assets we may acquire or in-license in the future. We also intend to evaluate life-cycle opportunities for Oleogel-S10 in other severe, orphan dermatology conditions where there is high unmet medical need to seek to maximise its value over its period of exclusivity.
- Continue to develop our gene therapy platform with an initial focus on AP103, the first product candidate derived from the platform technology, for the treatment of DEB. AP103 is currently in preclinical development for the treatment of DEB. We intend to initiate clinical development in the second half of 2022.
- Continue to evaluate opportunities to expand our rare disease product portfolio and pipeline. We believe we are well positioned to continue to acquire or in-license rare disease assets that we believe we can efficiently develop and commercialise through our global infrastructure.

STRATEGIC REPORT:
Our Strengths

We believe our key competitive strengths include the following:

Revenue-generating commercial products. We currently generate revenue, including royalties, from global sales of lomitapide and metreleptin. This revenue stream provides us with financial flexibility to fund the continued development and potential commercialisation of our existing development candidates as well as the potential acquisition or in-license of additional rare disease products and late-stage product candidates.

Oleogel-S10 as a potential treatment for EB. We have completed the largest ever pivotal Phase 3 trial of Oleogel-S10 for the treatment of cutaneous manifestations of severe EB and the primary end point read out positive. We have made submissions for marketing authorisation to the FDA and EMA and are advancing our launch plans for Oleogel-S10, if approved.

Existing, scalable global commercial and medical infrastructure. We sell lomitapide and metreleptin in the Americas, Europe and the Middle East through our existing rare disease commercial infrastructure. Our commercial expertise includes market access, marketing, sales managers and sales representatives and is supported by our experienced medical affairs team with medical science liaisons, patient advocacy and dieticians in the field. We also leverage our network of third-party distributors in other key markets throughout the world. We believe we will be able to leverage our existing global infrastructure and expertise to efficiently and expeditiously commercialise additional products we may acquire or develop, including our lead product candidate, Oleogel-S10, if approved.

Proven track record of building a diversified rare disease product portfolio. We acquired Oleogel-S10 through the acquisition of Birken AG in 2016, in-licensed lomitapide in December 2016, in-licensed our gene therapy platform, including AP103, in March 2018 and acquired metreleptin and the remaining rights to lomitapide through the Acquisition of Aegerion Inc. in September 2019.

Strong patent protection and regulatory exclusivity. We believe our intellectual property portfolio as well as protection afforded by regulatory exclusivity provide us with a substantial competitive advantage in marketing our current products and also protects our development programs. Our lomitapide patent portfolio includes patents that provide protection into 2027 in the US and into 2025 in the EU, with supplementary protection granted to extend patent protection in major EU countries into 2028. The metreleptin patent portfolio includes patents that provide protection into 2027 in the US and into 2022 in the EU and orphan exclusivity in the EU into 2028 with an additional 2 years of exclusivity to 2030 for completion of a paediatric investigation plan ("PIP"). The Oleogel-S10 patent portfolio includes patents that provide protection in both the US and the EU into 2030 and a non-provisional application covering future Oleogel-S10 indications which, if granted, would provide worldwide protection into 2039. We have also submitted additional patent applications to further strengthen our intellectual property portfolio.

Experienced management team comprised of industry leaders in rare diseases. Our management team has extensive expertise in the acquisition, development and commercialisation of rare disease assets. We believe that the breadth of experience and successful track record of our management team and our Board, combined with our broad network of established relationships with leaders in the industry and medical community, provide us with strong drug development and commercialisation capabilities.

STRATEGIC REPORT:
Financial Review

Revenues

The revenues for each of our significant products were as follows:

	Year ended 31 December		Increase / (Decrease)	
	2020	2019		
	$'000	$'000	$'000	%
Metreleptin	**106,872**	25,088	81,784	326.0%
Lomitapide	**74,750**	32,260	42,490	131.7%
Other	**985**	776	209	26.9%
Total revenues	**182,607**	58,124	124,483	214.2%

Total product sales were $182.6 million for the year ended 31 December 2020, compared to $58.1 million for the year ended 31 December 2019. The increase in revenues was due to our acquisition of Aegerion in September 2019. Sales of metreleptin and lomitapide comprise product sales and royalties on sales, respectively, made by our licensees.

Metreleptin

We generated revenues from product sales of metreleptin of $106.9 million for the year ended 31 December 2020 compared to $25.1 million for the year ended 31 December 2019. The increase of $81.8m is primarily due to the effect of full year revenues from global product sales and royalties of metreleptin following the Acquisition that closed on 24 September 2019. 56.7% of product sales for metreleptin were in the US, with the remaining 43.3% in the EU and other international markets.

Lomitapide

We generated revenues from product sales of lomitapide of $71.8 million and royalties of $3.0 million from Recordati for the year ended 31 December 2020 compared to $31.6 million and $0.7 million for the year ended 31 December 2019, respectively. The increase is primarily due to the effect of full year revenues from product sales and royalties of Juxtapid following the Acquisition that closed on 24 September 2019. In 2019, revenues were generated from product sales of Lojuxta in the EMEA region for the full year together with revenues from product sales and royalties of Juxtapid in other jurisdictions from the date of Acquisition on 24 September 2019.

Other

Other revenues relate to sales from our in-house derma-cosmetic range of products, Imlan, and our early access program for Oleogel-S10. Imlan is marketed solely in Germany as a treatment for sensitive, allergy-prone skin. The increase in revenues in the year ended 31 December 2020 was mainly due to higher sales from our early access program product, Oleogel-S10. We intend to market Oleogel-S10 under the brand name of Filsuvez if it is approved for the treatment of EB.

Cost of Sales

	Year ended 31 December		Increase / (Decrease)	
	2020	2019		
	$'000	$'000	$'000	%
Cost of product sales	**25,854**	11,384	14,470	127.1%
Amortisation of acquired intangibles	**42,966**	11,457	31,509	275.0%
Amortisation of inventory fair value step-up	**27,617**	7,473	20,144	269.6%
Royalty expenses	**22,592**	8,419	14,173	168.4%
Total cost of sales	**119,029**	38,733	80,296	207.3%

STRATEGIC REPORT:
Financial Review continued

Total cost of sales was $119.0 million for the year ended 31 December 2020, representing the cost, including royalties, of selling metreleptin and lomitapide, the cost of delivery of goods sold to customers, including the costs associated with the services provided by the distributors to import and deliver the goods, the non-cash intangible amortisation and the non-cash inventory fair value step-up expenses. Total cost of sales was $38.7 million for the year ended 31 December 2019. The increase is driven by additional costs related to the cost, including royalties, of selling metreleptin and lomitapide, non-cash intangible amortisation and non-cash inventory fair value step-up expenses following the Acquisition date in addition to the pre-Acquisition period activity which represented the cost, including royalties, from sales of Lojuxta, Imlan and our Early Access Program for Oleogel-S10.

The cost of product sales in the year ended 31 December 2020 increased by $14.5 million, and royalty expenses increased by $14.2 million in 2020 compared to the year ended 31 December 2019. The acquisition of lomitapide for markets outside the EMEA and metreleptin for all markets largely drove this increase in costs. Following the Acquisition, we are now selling two commercial products on a global basis, which results in a higher cost of producing our commercial products, higher royalties on sales, and higher costs of delivery of goods sold to customers, including the costs associated with the services provided by our distributors to import and deliver the goods.

Amortisation of acquired intangible assets was $43.0 million in 2020 compared to $11.5 million in 2019. This relates to the amortisation charge, for the post-Acquisition period, on the two commercial assets purchased as part of the Acquisition. The increase is driven by the full year's amortisation included in 2020 compared to amortisation in 2019 that related to the period from the date of Acquisition on 24 September 2019 to 31 December 2019.

The non-cash inventory step-up expense was $27.6 million in 2019, compared to $7.5 million in 2019. This relates to the difference between the estimated fair value and the book value of inventory acquired from Aegerion which is being amortised over the estimated period that we expect to sell this inventory. The increase is driven by the post-Acquisition period activity.

Research and Development Expenses

Research and development expenses consist primarily of costs related to clinical studies and outside services, post-approval commitment studies, personnel expenses and other research and development costs. Study costs and outside services costs relate primarily to services performed by clinical research organisations, materials and supplies, and other third-party fees. Research and development expenses for the year ended 31 December 2020 were $27.6 million, representing 25.1% of our total operating expenses, compared to $15.8 million, or 22.7% of total operating expenses, for the year ended 31 December 2019. Research and development expenses in both years were primarily driven by the clinical advancement of Oleogel-S10 as we continued our global clinical trial sites. Research expenses in 2020 comprised $11.7 million in employee compensation, $11.3 million of amounts paid to clinical research organisations, and $4.6 million of other outsourced services. Research expenses in 2019 comprised $4.8 million in employee compensation, $7.7 million of amounts paid to clinical research organisations, and $3.3 million of other outsourced services.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $76.7 million for the year ended 31 December 2020, representing 69.7% of our total operating expenses, compared to $35.5 million for the year ended 31 December 2019, representing 50.8% of our total operating expenses. The increase in selling, general and administrative expenses was primarily due to an increase in compensation-related expenses, primarily driven by higher headcount following the Acquisition, and an increase in other expenses related to the expansion and support of our business.

Restructuring and Acquisition Costs

Restructuring and acquisition costs for the year ended 31 December 2020 were $1.0 million compared to $13.0 million for the year ended 31 December 2019. These costs primarily relate to professional fees associated with the Acquisition, which was predominantly completed during 2019. The expenses also include severance costs associated with the relocation of a number of roles from the Boston office of Aegerion to our head office in Dublin, Ireland following the completion of the Acquisition.

Share-Based Payment Expenses

Non-cash share-based payment expenses for the year ended 31 December 2020 were $4.7 million, compared to $0.8 million in the year ended 31 December 2019. We issue share options and restricted share units as an incentive to senior management and employees. The fair value is measured at the grant date using the Black-Scholes model and amortised over the period during which the awards vest.

Impairment charge

In 2019, an impairment charge of $4.7 million was recorded to write off the remaining carrying value of an in process intangible asset, AP102, an early-stage drug asset which represents a novel, next generation somatostatin analogue ("SSA") peptide medicine for patients with rare neuroendocrine diseases, where there is a high unmet medical need, including acromegaly. Acromegaly is a rare endocrine disorder in which the body produces excessive growth hormone, leading to abnormal growth throughout the body over time. Following the Acquisition, we made the decision to concentrate resources on those development pipeline activities that will better complement our existing commercial assets, lomitapide and metreleptin. In 2020 there was no impairment charge recorded.

Non-Cash Change in Fair Value of Contingent Consideration

We compute the fair value of the contingent consideration arising from the acquisition of Birken AG (now Amryt GmbH). The Amryt GmbH consideration relates to milestone payments of up to $35 million and royalty payments that are payable to the previous owners of Amryt GmbH, which are triggered by future regulatory approvals of Oleogel-S10 for the treatment of EB from both the FDA and EMA, as well as future sales-driven milestones. The finance expense for the year ended 31 December 2020 was $27.8 million compared to $6.7 million for the year ended 31 December 2019. The increase in 2020 is driven by an increase in the probabilities and discount rates used in calculating the fair value of the contingent consideration. The market-based probability chance of success, based on market benchmarks for orphan drugs, was increased in 2020 following the positive results from our Phase 3 EASE trial of Oleogel-S10 earlier in the year. Additionally, the discount rate used in the calculation of the fair value of the contingent consideration was decreased, which was due to the significant change in the Group over the last 12 months where the Group has significantly de-risked with growth in commercial revenues, positive top-line data on the Phase 3 EASE trial of Oleogel-S10, increasing cash balances during the year, increasing share price and an additional equity fund raise during the year.

Non-Cash Contingent Value Rights Finance Expense

The $12.0 million non-cash CVR finance expense for the year ended 31 December 2020 represents the effective interest rate unwind on amortised cost between the carrying value of the CVRs from the initial recognition date to the reporting date of 31 December 2019. The non-cash CVR finance expense for the year ended 31 December 2019 was $1.5 million. The increase in the 2020 finance expense is mainly driven by the market-based probability chance of success, based on market benchmarks for orphan drugs, which was increased in 2020 following the positive results from our Phase 3 EASE trial of Oleogel-S10 earlier in the year.

We issued CVRs pursuant to which up to $85 million may become payable to Amryt shareholders and option holders who were shareholders prior to completion of the Acquisition, if certain regulatory approval and revenue milestones are met in relation to Oleogel-S10.

Net Finance Expense - Other

Other net finance expense was $19.6 million for the year ended 31 December 2020 compared to $4.8 million for the year ended 31 December 2019. Other net finance expense mainly relates to interest on loans that is partially offset by foreign exchange gains, which amounted to $22.0 million and $2.7 million, respectively, for the year ended 31 December 2020. Interest on loans was $8.5 million for the year ended 31 December 2019. The increase in 2020 is due to a full year of interest in 2020 incurred on the Convertible Notes and Secured Credit Facility following the Acquisition. In 2019, the foreign exchange gain amounted to $3.8 million and in both years the foreign exchange gain primarily relates to the translation of euro and sterling-denominated net monetary amounts held by subsidiaries with a non-US dollar functional currency.

STRATEGIC REPORT:
Financial Review continued

Operating Loss and Total Comprehensive Loss

The operating loss before finance expense for the year ended 31 December 2020 amounted to $46.5 million (2019: $50.5 million).

In addition to analysing our operating results on an IFRS basis, management also reviews our results on an ''Adjusted EBITDA" basis. Adjusted EBITDA is defined as net loss before income taxes, non-cash change in fair value of contingent consideration, non-cash contingent value rights finance expense, net finance expense – other, amortisation expense, depreciation expense, share-based payments, and impairment charges.

The following table reconciles adjusted EBITDA to total comprehensive loss for the period attributable to the equity holders of the Company:

	Year ended 31 December	
	2020	2019
	$'000	$'000
Loss for the year attributable to equity holders of the Company	**(104,527)**	(62,998)
Income taxes	**(1,332)**	(495)
Non-cash change in fair value of contingent consideration	**27,827**	6,740
Non-cash contingent value rights finance expense	**12,004**	1,511
Net finance expense – other	**19,569**	4,759
Amortisation of inventory fair value step-up	**27,617**	7,473
Amortisation expense - other	**43,168**	11,583
Depreciation expense	**1,297**	698
Share-based payments	**4,729**	841
Impairment charge	**–**	4,670
Adjusted EBITDA	**30,352**	(25,218)

Liquidity and Capital Resources

We had unrestricted cash and cash equivalents of $118.6 million and $65.2 million as at 31 December 2020 and 31 December 2019, respectively. We have financed our operations primarily through sales of our commercial products, sales of our ordinary shares and debt financing. We expect to incur significant expenses for the foreseeable future as we continue commercialising our approved products and advancing the clinical development of our product candidates. We expect that our R&D and SG&A costs will increase in connection with conducting clinical trials for our product candidates and any new product candidates we acquire or develop and due to the costs of seeking marketing approval for our product candidates in Europe, the US and other jurisdictions.

Cash Flows

The table below provides selected cash flow information for the periods indicated (in thousands):

	Year ended 31 December	
	2020	2019
	$'000	$'000
Net cash flow from / (used in) operating activities	**26,891**	(37,472)
Net cash flow from / (used in) investing activities	**(2,379)**	24,425
Net cash flow from financing activities	**26,028**	65,942
Exchange and other movements	**1,029**	3,108
Net change in cash and cash equivalents	**51,569**	56,003

Net Cash Flow From / (Used in) Operating Activities

Net cash from operating activities was $26.9 million for the year ended 31 December 2020, compared to net cash used in operating activities of $37.5 million for the year ended 31 December 2019. The increase of $64.4 million was primarily driven by the increased scale of our business and working capital fluctuations.

Net Cash Flow From / (Used in) Investing Activities

Net cash used in investing activities was $2.4 million for the year ended 31 December 2020 and primarily related to payments for property, plant and equipment and payments for intangible assets.

Net cash from investing activities was $24.4 million for the year ended 31 December 2019 and primarily related to the Aegerion cash balance of $25.0 million, which we acquired in the Acquisition. A significant proportion of this cash balance was restricted and held in escrow to meet costs associated with the Aegerion bankruptcy process.

Net Cash Flow From Financing Activities

Net cash flow from financing activities was $26.0 million for the year ended 31 December 2020. On 8 December 2020, we entered into a securities purchase agreement with several institutional accredited investors for the private placement of 3,200,000 ADSs, at a purchase price of $12.50 per ADS, yielding gross proceeds of $40 million and net proceeds of $37.9 million. The private placement included new and existing investors including Stonepine Capital, LP, Aquilo Capital Management, LLC, Amati Global Investors, Athyrium Capital Management, LP and Highbridge Capital Management, among others. These cash inflows were partially offset by interest paid on our Secured Credit Facility of $4.1 million and on the Convertible Notes of $6.4 million.

Net cash flow from financing activities was $65.9 million for the year ended 31 December 2019 and primarily related to net proceeds from the issuance of shares of $63.0 million and the issuance of new debt of $31.2 million. These cash inflows were partially offset by the repayment of our EIB Facility of $22.0 million and interest paid to the EIB and on our Secured Credit Facility of $6.3 million.

Debt Financing

In December 2016, we entered into the EIB Facility, a €20 million credit facility split into three tranches: €10 million available immediately, and two further tranches of €5 million available upon the achievement of certain milestones. In April 2017, we drew down the first tranche of €10 million. In September 2018, we drew down the second tranche of €5 million. In December 2018 the terms of the third tranche were amended to give us the option to draw down this final tranche on the condition that the EASE Phase 3 trial interim efficacy results were positive. In February 2019, after we reported the outcome of an unblinded interim efficacy analysis of the EASE trial, we drew down the final tranche of €5 million. The EIB Facility was secured by our intellectual property assets. It also contained a negative covenant restricting our ability to grant security interests over any of our assets over the course of the loan period.

The EIB Facility was repaid in full on 24 September 2019 in connection with the closing of the Acquisition. In connection with the Acquisition we entered into the $81 million Secured Credit Facility and issued $125 million of Convertible Notes.

STRATEGIC REPORT:
Financial Review continued

Contractual Obligations

The following summarises our contractual obligations as of 31 December 2020:

	Payments Due by Period				
	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Principal debt obligations	12,197	25,627	252,024	–	289,848
Operating leases obligations	1,050	2,046	1,726	3,998	8,820
Contingent consideration and contingent value rights	62,283	35,000	30,708	–	127,991
Other liabilities	3,993	21,382	–	–	25,375
Total	**79,523**	**84,055**	**284,458**	**3,998**	**452,034**

The principal debt obligations relate to our $81 million Secured Credit Facility and our Convertible Notes with an aggregate principal amount of $125 million and the interest associated with these facilities. The Secured Credit Facility has a five-year term from date of draw down and matures in 2024. Interest will be payable at our option at the rate of 11% per annum paid in cash on a quarterly basis or at a rate of 6.5% paid in cash plus 6.5% paid in kind that will be paid when the principal is repaid, which rolls up and is included in the principal balance outstanding, on a quarterly basis. For the purposes of the contractual obligations table above, we assume that we choose to pay interest at a rate of 6.5% paid in cash plus 6.5% paid in kind that will be paid when the principal is repaid. The Convertible Notes bear interest at a rate of 5.0% per year, payable semi-annually in arrears on 1 April and 1 October of each year, beginning on 1 April 2020. The Convertible Notes will mature on 1 April 2025, unless earlier repurchased or converted. For the purposes of the contractual obligations table above, we assume that there is no conversion and that the Convertible Notes are repaid in full on 1 April 2025.

We have operating leases commitments for offices in the US, EU and Latin America, a production facility in Germany and office equipment leases.

Contingent consideration and contingent value rights arose as part of (i) the acquisition of Amryt GmbH in 2016, through which we acquired Oleogel-S10, and (ii) the issuance of CVRs to Amryt shareholders and option holders prior to the Acquisition of Aegerion. The contingent consideration and contingent value rights arising on these transactions are payable on achieving various milestones and sales royalties.

Other liabilities relate to our obligations, inclusive of interest, under Aegerion's settlement agreements with the SEC and DOJ.

STRATEGIC REPORT:
Key Performance Indicators

Revenue growth is a key measure for the Group. We currently generate revenue, both product and royalty revenues, from global sales of lomitapide and metreleptin. A key focus for us is to drive revenue growth in the markets and indications that we currently sell them. We also intend to expand the market opportunity for both these products – seeking approval for the use of lomitapide to treat pediatric HoFH patients and for the use of metreleptin to treat PL in the US.

Adjusted EBITDA growth is an important financial performance indicator for the Group. The positive momentum we experienced during 2019 has continued through 2020. Most importantly, we have experienced strong revenue growth and the business significantly, turned adjusted EBITDA positive a quarter ahead of schedule in Q1 2020.

Our ability to leverage our global commercial and medical infrastructure is a key performance indicator to ensure we achieve significant synergies arising from acquisitions. This has been a key focus for the Group.

As we are currently in the pre-revenue stage for our lead development asset, Oleogel-S10, a core focus of our business is on progression of this drug candidate through the clinic and regulatory approval into an approved product for the treatment of EB. Following the positive date readout from our EASE trial, we are currently progressing regulatory submissions for Oleogel-S10 with the relevant authorities in both the US and Europe and preparing for launch, if approved.

Identifying, acquiring and developing new drug candidates to build shareholder value is key to our goal of becoming a global leader in rare and orphan diseases. In 2018, the Group in-licenced our first gene therapy candidate, AP103. This patented technology which Amryt in-licensed from University College Dublin ("UCD") involves the use of a novel gene therapy delivery mechanism using HPAE polymer technology. If successful, this could eliminate the requirement for viruses as delivery vectors and therefore provides a potential competitive advantage to Amryt. In 2019, the Group completed the acquisition of Aegerion which was a transformational deal for Amryt. We now have a diversified portfolio comprised of two commercial rare disease products as well as a development-stage pipeline focused on rare diseases. We continue to evaluate opportunities to expand our rare disease portfolio and pipeline.

STRATEGIC REPORT:
Risks and Uncertainties

The management of risk is a key responsibility of the Board of Directors. The Board ensures that all key risks are understood and appropriately managed considering the Group's strategy and objective, and that an effective risk management process, including appropriate internal controls, is in place to identify, quantify and manage important risks.

Operational Risk Management

To effectively manage the operational risk, the Group regularly reviews progress in key activities as follows:

- The Board of Directors meets regularly and reviews operational progress against the Group's strategy and key objectives;
- The senior management meets at least three times a month to review operational progress and, during these meetings, they identify and discuss areas of risk. If appropriate, these risks will be communicated to the Board for further discussion; and
- Commercial, clinical and other teams meet on a regular basis to review progress of all key projects. As part of these discussions, any key issues identified will be elevated for discussion with the Senior Management team.

Principal Risk Factors

The Group is subject to risk factors relating to the business and operations of the Group in the healthcare industry. The success of the Group depends on its ability to engage in appropriate product selection and to attract sufficient funding to successfully develop these products. The following summarises the principal risks and uncertainties of the Group however further risk factors affecting the Group can be found in the Risk Factors section of our 20-F at https://www.amrytpharma.com/investors/reports/:

We have incurred operating losses since our inception and we may not achieve or maintain profitability in the future.

To date, we have financed our operations primarily through a combination of revenues from sales of our commercialised products, term loans and the sale of our equity securities and convertible bonds. We have incurred net losses since our inception, including net losses of $30.6 million, $62.2 million and $106.7 million for the years ended 31 December 2018, 2019 and 2020, respectively. We have devoted most of our financial resources to the acquisition of attractive commercial and near-commercial rare disease assets and research and development. We anticipate that we will continue to incur significant costs associated with the continued commercialisation of lomitapide and metreleptin, and in connection with ongoing clinical development efforts and post-marketing commitments for these products as well as the continued development of our product candidates. The amount of our future net losses will depend, in part, on the rate of our future expenditures, our ability to continue generating adequate revenues from sales of lomitapide and metreleptin and from sales of Oleogel-S10 if approved, and our ability to obtain funding through equity or debt offerings, grant funding, collaborations, strategic partnerships and/or licensing arrangements. If we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

Our future performance depends, in part, on our ability to successfully implement our strategy.

Our future success will depend on our ability to implement our strategy to develop and expand our existing portfolio of drugs to treat patients with rare diseases and to create a rare disease company with a diversified offering of multiple development stage and commercial assets that can provide us with scale to support future growth. Implementing our strategy requires substantial time and resources from our management team. Our Board and management may not be able to successfully implement our strategy or other strategies to be developed by management, and implementing these strategies may not sustain or improve, and could even harm, our business, financial condition, results of operations and prospects.

We are dependent primarily on two products, lomitapide and metreleptin, to generate revenue and these products may not be successful and may not generate sales at anticipated levels.

Our ability to meet expectations with respect to sales of lomitapide and metreleptin, and to generate revenues from such sales, and attain and maintain positive cash flow from operations, in the time periods anticipated, or at all, will depend on a number of factors, including, among others:

- the ability to continue to maintain and grow market acceptance for lomitapide and metreleptin among healthcare professionals and patients in the US, EU and other key markets for the treatment of approved indications;
- continuing market demand and medical need for these products;

- the development, acquisition, licensing or introduction of competitive products that are more effective, have a more favorable safety profile or are less costly than our products;
- maintaining regulatory approvals without onerous restrictions or limitations in key markets and securing regulatory approvals in additional markets on a timely basis and with commercially feasible labels, and pricing and reimbursement approvals at adequate levels, where required, on a timely basis;
- side effects or other safety issues associated with the use of lomitapide and metreleptin could require us or our collaborators to modify or halt commercialisation of these products or expose us to product liability lawsuits which will harm our business;
- we may be required by regulatory agencies to conduct additional studies regarding the safety and efficacy of lomitapide and metreleptin, which we have not planned or anticipated;
- generating revenues in markets that allow for supply of pharmaceutical products without regulatory approval based solely on the approvals of such products in the US or EU, and in which no promotion or commercialisation activities are permitted; and
- adequately investing in the manufacturing, sales, marketing, market access, medical affairs and other functions that are supportive of our commercialisation efforts.

If we are unable to continue to generate revenue from our current commercial products, our business, financial condition, results of operations and prospects will be adversely affected.

We may not be successful in our efforts to build a pipeline of product candidates and develop additional marketable products.

We operate in the biopharmaceutical sector and have product candidates in various stages of clinical and preclinical development. In addition, we may continue to explore other opportunities within the sector in order to expand our present development pipeline. Industry experience indicates that there may be a very high incidence of delay or failure to produce valuable scientific results in relation to our present development pipeline. In addition, disruptions caused by the COVID-19 pandemic may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing clinical trials. We may not be successful in developing new products based on our scientific discoveries. We will also face the risk that in developing new products we may spend substantial sums of money and the new products developed may not effectively meet the perceived need or may not be successfully commercialised. Our ability to develop new products relies on, among other things, the recruitment of sufficiently qualified research and development partners with expertise in the biopharmaceutical sector. We may not be able to develop relationships or recruit research partners of a sufficient calibre to satisfy the rate of growth and develop our future pipeline.

Adverse events involving any of our products and product candidates may lead the US Food & Drug Administration ("FDA"), the European Medicines Agency ("EMA") or other regulatory authorities to delay or deny clearance for our products or result in product recalls that could harm our reputation, business and financial results.

The FDA and the EMA, as well as similar governmental authorities in other jurisdictions, have the authority to require the recall of certain commercialised products in the event of adverse side effects, material deficiencies or defects in design or manufacture. Manufacturers may, under their own initiative, recall a product if any material deficiency in a product is found. A government-mandated recall or voluntary recall by us or one of our distributors could occur as a result of adverse side effects, impurities or other product contamination, manufacturing errors, design or labelling defects or other deficiencies and issues. Recalls of any of our products or product candidates would divert managerial and financial resources and have an adverse effect on our financial condition and results of operations. A recall announcement could harm our reputation with customers and negatively affect our sales, if any.

STRATEGIC REPORT:
Risks and Uncertainties continued

Our future success depends on our ability to hire and retain key executives and to attract, retain and motivate qualified personnel.

Our future success depends on our ability to attract and retain key management personnel, scientific and technical personnel, particularly in the biopharmaceutical industry. Our ability to continue our operations and implement our strategy depends upon retaining, recruiting and motivating employees, especially with respect to our management team and research personnel. Experienced employees in the biopharmaceutical and biotechnology industries are in high demand and competition for their talents can be intense, especially in Ireland and Boston, Massachusetts, where we maintain our principal operations. We have entered into employment agreements with executive officers and other key employees, but any employee may terminate his or her employment at any time or may be unable to continue in his or her role. The loss of any executive or key employee, or an inability to recruit desirable candidates or find adequate third parties to perform such services on reasonable terms and on a timely basis, could have a material adverse effect on our business, financial condition, results of operations and prospects. If we are not able to attract, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that could significantly impede our ability to achieve our development and commercial objectives, our ability to raise additional capital and our ability to implement our business strategy.

For U.S. federal income tax purposes, Amryt is treated as a surrogate foreign corporation, and there is a risk that Amryt may be treated as a U.S. corporation under certain circumstances, including as a result of proposed U.S. federal tax legislation.

Section 7874 of the Code and the Treasury regulations promulgated thereunder contain two alternative sets of rules under which a U.S. target corporation may be subjected to certain additional U.S. federal income taxes or a non-U.S. acquiring corporation (such as Amryt) may be treated as a U.S. corporation for U.S. federal income tax purposes as a result of the acquisition. Which set of rules applies depends on what percentage of the non-U.S. acquiring corporation's stock the historic stockholders of the U.S. target corporation own or are treated as owning, under certain counting conventions, by reason of holding shares of the U.S. target corporation following the transaction (which we refer to as the "Section 7874 Percentage"). One set of rules imposes a tax on certain gain and income of the U.S. target corporation, and potentially certain other taxes, if (in addition to other requirements) the Section 7874 Percentage is at least 60 percent (by vote or value). The other set of rules under Section 7874 of the Code treats the non-U.S. acquiring corporation as a U.S. corporation for U.S. federal income tax purposes if (in addition to other requirements) the Section 7874 Percentage is at least 80 percent (by vote or value). If the Section 7874 Percentage is at least 60 percent (by vote or value), the non-U.S. acquiring corporation is considered a "surrogate foreign corporation," and the U.S. target corporation is considered an "expatriated entity" with respect to the non-U.S. acquiring corporation.

Amryt believes that, as a result of Amryt's acquisition of Aegerion in 2019 (which we refer to as the "Prior Acquisition"), Amryt is treated as a surrogate foreign corporation (the 60 percent test), but not as a U.S. corporation (the 80 percent test). Please see the discussion under the heading "Risk Factors—Risks Related to our Business, Financial Condition and Capital Requirements—We expect that certain U.S. federal income tax rules regarding "inversion transactions" will apply to us, which could result in adverse U.S. federal income tax consequences" in Amryt's registration statement on Form F-1 originally filed with the SEC on January 8, 2021. As a result of Amryt's status as a surrogate foreign corporation, dividends paid in respect of the Amryt ADSs are not expected to be eligible to be taxed at favourable rates that otherwise are applicable to "qualified dividend income" received by non-corporate U.S. holders if certain additional conditions are satisfied.

It is possible that a future change in law could expand the scope of Section 7874 of the Code on a retroactive basis. In this regard, on April 29, 2021, a bill (entitled the "Stop Corporate Inversions Act of 2021") was introduced in Congress which proposes, among other things, to change Section 7874 of the Code in such a way so as to treat as a U.S. corporation for U.S. federal income tax purposes a non-U.S. acquiring corporation that acquires a U.S. target corporation on or after May 8, 2014 in a transaction in which the Section 7874 Percentage is at least 50 percent (if certain other requirements are met). This proposed change in law is similar to legislative changes previously introduced in both houses of Congress by certain Democratic members. In addition, on May 28, 2021, the U.S. Treasury Department released the "General

Explanations of the Administration's Fiscal Year 2022 Revenue Proposals," which announced President Biden's proposal to similar effect, but proposed that the changes would be effective for transactions that are completed after the date of enactment. President Biden's proposal does not specify whether transactions, such as the merger, that are subject to a written binding agreement in effect prior to the date of enactment would be exempted from the proposed changes. Under the counting conventions referred to above, it is possible that the Section 7874 Percentage resulting from the merger could be at least 50 percent. The merger agreement contains a provision in Section 7.05(e) thereof that requires the parties to undertake their respective reasonable best efforts to restructure the transactions governed by the merger agreement to prevent Amryt from being treated as a U.S. corporation in certain circumstances.

If Amryt were treated as a US corporation, its entire net income would be subject to US federal income tax on a net income basis and would be determined under US federal income tax principles. Further, Amryt's treatment as a U.S. corporation may have material adverse effects on the business, financial condition, results of operations and prospects of the Amryt and its subsidiaries.

We expect that, as a result of Amryts merger with Chiasma, Inc. Amryt will be a surrogate foreign corporation with respect to Chiasma, because Chiasma will be "related" to Aegerion under Section 7874 of the Code. Assuming that Chiasma will be treated as an expatriated entity, several limitations will apply to Chiasma, including, but not limited to, the prohibition, for a period of ten years from the closing date of the Prior Acquisition, of the use of net operating losses, foreign tax credits and other tax attributes to offset the income or gain recognized by reason of transfer of any property to a foreign related person or to offset any income received or accrued during such period by reason of Amryt's license of any property to a foreign related person. Moreover, in such case, an additional minimum tax under Section 59A of the Code on certain "base eroding" payments to certain affiliates that are foreign corporations may be imposed on Chiasma as a result of its status as an expatriated entity.

The application of Section 7874 of the Code is complex, subject to detailed regulations (the application of which is uncertain in various respects and could be impacted by changes in US Treasury regulations with possible retroactive effect) and subject to certain factual uncertainties, some of which must be finally determined after the completion of the merger. Furthermore, it is possible that a future change in law could expand the scope of Section 7874 of the Code on a retroactive basis. Accordingly, there can be no assurance that the IRS will not challenge the status of Amryt as a non-US corporation for U.S. federal income tax purposes under Section 7874 of the Code or that such challenge would not be sustained by a court. If the IRS were to successfully challenge Amryt's status as a non-US corporation for US federal income tax purposes under Section 7874 of the Code. Amryt and certain Amryt shareholders may be subject to significant adverse tax consequences, including a higher effective corporate income tax rate on Amryt and future withholding taxes on certain Amryt shareholders, depending on the application of any applicable income tax treaty that may apply to reduce such withholding taxes.

Our global operations subject us to significant tax risks.

We are subject to tax rules in the jurisdictions in which we operate. Changes in tax rates, tax relief and tax laws, changes in practice or interpretation of the law by the relevant tax authorities, increasing challenges by relevant tax authorities or any failure to manage tax risks adequately could result in increased charges, financial loss, penalties and reputational damage. Tax authorities may actively pursue additional taxes based on retroactive changes to tax laws which could result in a material restatement to our tax position. Any of these factors could have a negative impact on our business, financial condition, results of operations and prospects.

The outbreak of COVID-19 could adversely impact our business, including our preclinical studies and clinical trials.

Since a novel strain of coronavirus, SARS-CoV-2, causing a disease referred to as COVID-19, was first reported in December 2019, the disease has spread across the world, including countries in which we have planned or active clinical trial sites. The outbreak and government measures taken in response have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred; supply chains have been disrupted; facilities and production have been suspended; and demand for certain goods and services, such as medical services and supplies, has spiked, while demand for other goods and services, such as travel, has fallen. In response to the spread of COVID-19, we have closed our executive offices with our administrative employees continuing their work outside of our offices and limited the number of staff in any given manufacturing facility. As COVID-19

STRATEGIC REPORT:
Risks and Uncertainties continued

continues to spread around the globe, we may experience disruptions that could affect our business, preclinical studies and clinical trials, including:

- healthcare budgets may be adversely affected and as a result, funding may not be available to pay for our products;
- interruption or delays in the operations of the FDA, EMA or other regulatory authorities, which may impact review and approval timelines of our products, including review and approval timelines for Oleogel-S10 which may be impacted by the need to undertake pre-approval inspections of our facilities before approval is granted;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees;
- impairment of our operations, including among others, employee mobility and productivity, availability of facilities, conduct of clinical trials, manufacturing and supply capacity, disruption of our supply chain, availability of shipping and distribution channels, restrictions on import and export regulations and the availability and productivity of third party service suppliers;
- incurrence of delays in the delivery of our products, or our inability to deliver products to our patients, or our sales representatives may continue to be unable to meet in person with physicians and hospitals to identify new patients for our products;
- disruptions that could affect our business, specifically the development, manufacture and labelling of our products;
- unsuccessful and/or untimely completion of preclinical and clinical development of our product candidates and any other future candidates, as well as the associated costs, including
    - o delays or difficulties in initiating, enrolling, conducting or completing our planned and ongoing clinical trials;
    - o risk that participants enrolled in our clinical trials will acquire COVID-19 while the clinical trial is ongoing, which could result in patients dropping out of the clinical trial or impact the results of the clinical trial, including by increasing the number of observed adverse events;
    - o existing patients with serious diseases included in our clinical trials may die as a result of contracting COVID-19 or suffer other adverse medical events for reasons that may not be related to our products or candidates;
    - o diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
    - o delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems;
    - o interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal, state or local governments, employers and others or interruption of clinical trial subject visits and study procedures (such as pre-planned clinical trial assessments), which may impact the integrity of subject data and clinical study endpoints;
    - o refusal of the FDA to accept data from clinical trials in affected geographies outside the US;
    - o changes in local regulations as part of a response to the COVID-19 pandemic which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue the clinical trials altogether;
    - o suspension or termination of a clinical trial by us, by the Institutional Review Boards ("IRBs") of the institutions in which such trial is being conducted, by a Data and Safety Monitoring Board ("DSMB") for such trial or by the FDA, the EMA or comparable foreign regulatory authorities due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA, the EMA or comparable foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects; and

- disruption and volatility in the global capital markets, which increases the cost of capital and adversely impacts access to capital should we have specific strategic considerations which require it.

The global pandemic of COVID-19 continues to evolve rapidly. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, preclinical studies, clinical trials, healthcare systems or the global economy as a whole. However, these effects could have a material impact on our operations, and we will continue to monitor the COVID-19 situation closely.

Any future acquisitions we make may expose us, to risks that could adversely affect our business, and we may not achieve the anticipated benefits of acquisitions of businesses or technologies.

As a part of our growth strategy, we may make additional acquisitions of complementary businesses. Any future acquisition will involve numerous risks and operational, financial and managerial challenges, any of which could adversely affect our business, financial condition or results of operations. There can be no assurance that any of the acquisitions we may make will be successful or will be, or will remain, profitable. Our failure to successfully address the foregoing risks may prevent us from achieving the anticipated benefits from any acquisition in a reasonable time frame, or at all.

Our products may not gain market acceptance, in which case we may not be able to generate product revenues.

Physicians, healthcare providers, patients, payers or the medical community may not accept or use our approved products. Efforts to educate the medical community and third-party payers on the benefits of the products may require significant resources and may not be successful. Notwithstanding the level of revenues historically generated from the sale of lomitapide and metreleptin, if any of our existing marketed products or product candidates do not achieve an adequate level of acceptance, we may struggle to continue to generate significant product revenues and may not in the future generate any profits from operations.

We face significant competition from other biotechnology and pharmaceutical companies.

The specific markets in which we operate are highly competitive and this competition could harm our results of operations, cash flows and financial condition. Our competitors include major international pharmaceutical companies as well as smaller or regional specialty pharmaceutical and biotechnology companies. We may be forced to either lower the selling prices of our products in response to competitor pricing or lose patients who choose lower-priced products. Many of our competitors are larger, have greater financial resources and a lower cost structure. As a result, our competitors may be better equipped to withstand changes in economic and industry conditions. These competitors currently engage in, have engaged in or may in the future engage in the development, manufacturing, marketing and commercialisation of new pharmaceuticals, some of which may compete with our products. Competition may also arise from, among other things, other drug development technologies, methods of preventing or reducing the incidence of disease, including vaccines and new small molecule or other classes of therapeutic agents. Smaller or early stage companies may also be significant competitors, particularly through collaborative arrangements with large, established companies. Key competitive factors affecting the commercial success of our products and any other products that we develop or acquire are likely to be safety, efficacy, tolerability profile, reliability, convenience of dosing, price and reimbursement. We may also face future competition from companies selling generic alternatives to our products in countries where we do not have patent coverage, Orphan Drug status or another form of data or marketing exclusivity or where patent coverage or data or marketing exclusivity has expired, is not enforced, or may, in the future, be challenged.

A significant competitor to our lomitapide product is a class of drugs known as PCSK9 inhibitors. Two main brands dominate the marketplace – Praluent and Repatha which are both approved in the EU and the US. Sales of PCSK9 inhibitors compete with sales of lomitapide and we expect that this product will continue to compete with lomitapide. In addition, one of our competitors, Regeneron Pharmaceuticals Inc., is developing evinacumab, a human monoclonal antibody directed against the activity of angiopoietin-like 3 ("ANGPTL3") for the treatment of HoFH. In August 2019, Regeneron announced positive topline data from its ongoing Phase 3 trial in HoFH; the FDA approved evinacumab on 11 February 2021 for adults and pediatric patients 12 years and older for treatment of HoFH. In June 2020, Regeneron stated

STRATEGIC REPORT:
Risks and Uncertainties continued

that the EMA recommended an accelerated assessment for evinacumab's review. Regeneron launched evinacumab in the US in March 2021. The EU is expected to grant marketing authorization by Q3 2021. Although administered through intravenous infusion, physicians may now consider this product for HoFH patients as an alternative to lomitapide. Other competitors may succeed in developing, acquiring or licensing additional pharmaceutical products that are introduced into the market and that are more effective, have a more favorable safety profile or are less costly than our products.

Other competitors may succeed in developing, acquiring or licensing additional pharmaceutical products that are introduced into the market and that are more effective, have a more favorable safety profile, or are less costly than our products. If we do not compete successfully, our operating margins, financial condition and cash flows could be adversely affected.

The successful commercialisation of our product candidates will depend in part on the extent to which governmental authorities and health insurers establish adequate coverage, reimbursement levels and pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease revenue generating ability.

The availability and adequacy of coverage and reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payers is essential for many patients to be able to afford prescription medications such as our products and potential product candidates, assuming regulatory approval is obtained. Our ability to achieve acceptable levels of coverage and reimbursement for products by governmental authorities, private health insurers and other organisations will affect the success of our approved products and product candidates. Assuming we obtain coverage for our product candidates by third-party payers, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the US, the EU Member States, or elsewhere will be available for the product candidates or any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Further, it is possible that a third-party payer may consider our product candidates as substitutes and only offer to reimburse patients for a less expensive product. Even if we show improved efficiency or convenience of administration with our product candidates compared to products marketed by our competitors and the prevailing standard of care ("SOC"), the pricing of existing therapies may still limit the amount we could charge. Third-party payers may deny or revoke the reimbursement status of any given product or establish new prices for existing marketed products that inhibit us from realising an appropriate return on our investment in the product candidates. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialise our product candidates, and may not be able to obtain a satisfactory financial return on them.

Outside the US, the success of our products and operations is subject to extensive governmental price controls and other market regulations which may materially and adversely affect our ability to generate commercially reasonable revenue and profits.

Our operations are subject to extensive governmental price controls and other market regulations in the UK and other countries outside of the US. The increasing emphasis on cost-containment initiatives in the various EU Member States and other countries can put pressure on the pricing and usage of currently marketed products and product candidates in the future. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Some EU Member States have established free-pricing systems, but regulate the pricing for drugs, inter alia, through profit control schemes. However, the UK, which has implemented the most vigorous scheme, has officially left the EU on 31 January 2020. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the US, the reimbursement for our currently marketed products and our product candidates in the future may be reduced and may be insufficient to generate sufficient revenues and profits. Moreover, increasing efforts by governmental and third-party payers in the US and abroad to control healthcare costs may cause such organisations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our products, or any other product candidates we may develop in the future.

Enacted and future legislation and related regulations may increase the difficulty and cost for us to commercialise metreleptin, lomitapide or Oleogel-S10 and other development candidates and may affect the prices we are able to obtain for our products, if and where approved.

In the US, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that restrict or regulate post-approval activities, which may affect our ability to profitably sell our products. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot predict whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes for the products may be. In addition, increased scrutiny by Congress of the FDA's approval process may subject us to more stringent product labelling, post-marketing testing and other requirements. Any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidised health programs that may be implemented and/or any significant taxes or fees that may be imposed, as part of any broader deficit reduction effort or legislative replacement to current laws or regulations, could have an adverse impact on our results of operations. In addition, countries outside the US may make changes to their healthcare systems, which may in the future affect the revenue generated from sales of lomitapide, metreleptin and Oleogel-S10, if approved, or any of our future commercial products.

We depend on third-party manufacturers to produce the drug substance and the drug product for lomitapide and metreleptin sold globally, as well as the drug product for commercial supply and clinical trials. We also depend on third-party manufacturers to produce the drug product for Oleogel-S10. Even though we have reserve stock, interruption in supply could materially and adversely affect sales.

We have limited internal manufacturing facilities for the production of the active pharmaceutical ingredient in Oleogel-S10. We employ a small number of personnel with manufacturing experience and we are currently dependent upon contract manufacturers to produce metreleptin and lomitapide and the drug product for commercial supplies and clinical trials, including for Oleogel-S10, if it is approved.

If we are unable to maintain arrangements for third-party manufacturing, are unable to do so on commercially reasonable terms, or are unable to obtain timely regulatory approvals in connection with contract manufacturers, we may not be able to complete development of our product candidates or successfully commercialise our products. We may also incur significant added costs and substantial delays in identifying and qualifying any replacement manufacturers, and in obtaining regulatory approval to use such replacement manufacturer in the manufacture of the products.

Recent legislation and proposed federal regulations and guidance may permit reimportation of drugs from foreign countries into the US where the drugs are sold at lower prices and this may adversely affect our operating results and overall financial condition.

The US Medicare Prescription Drug, Improvement, and Modernisation Act of 2003 ("MMA") contains provisions that may change importation laws and expand pharmacists' and wholesalers' abilities to import lower-priced versions of an approved drug and competing products from Canada, where there are government price controls. These changes to US importation laws will only take effect if the Secretary of Health and Human Services certifies that the changes will pose no additional risk to the public's health and safety. We do not know the timing and likelihood of this certification. In October 2020, the US Department of Health and Human Services and the FDA issued a final rule and guidance concerning two new pathways for importing lower-cost drugs into the US. The final rule allows certain prescription drugs to be imported from Canada, but would not permit the import of biologics. The FDA guidance describes procedures for drug manufacturers to facilitate the importation of FDA approved drugs and biologics manufactured abroad and originally intended for sale in a foreign country in the US. If distributors or other purchasers of Myalept or Juxtapid in the US are able to import lower-priced products from countries outside the US that place price controls on pharmaceutical products, this may result in a negative impact on the revenues of our products. In addition, some state governments have implemented importation schemes for their citizens and, in the absence of federal action to curtail such activities, other state

STRATEGIC REPORT:
Risks and Uncertainties continued

governments may launch importation efforts. The reimportation of metreleptin or lomitapide into the US market from a foreign market may negatively impact our revenues and anticipated financial results. Although the EU does not permit the re-importation of medicinal products from outside the EU, parallel trade between EU Member States is possible and can result in third party imports from EU Member States offering lower prices for a product into those reimbursing products at higher costs.

If we are unable to commercialise or receive regulatory approval for Oleogel-S10, or experience significant delays in doing so, or are not granted a Priority Review Voucher, our business could be materially harmed.

Our Phase 3 EASE randomised double-blind placebo control study achieved its primary endpoint and forms the basis of application for regulatory approval. However, this positive data for Oleogel-S10 does not guarantee that we will successfully receive regulatory approval for Oleogel-S10. An NDA was submitted to FDA on 30 March 2021 and a Marketing Authorisation Application was submitted to the EMA on 8 March 2021 with a procedure start date of 25 March 2021. Our inability to obtain approval for and commercialise Oleogel-S10 would materially adversely affect our business, results of operations and prospects.

Amryt will seek a PRV as part of the Oleogel-S10 NDA submission which if granted, we can sell, transfer or use to accelerate the approval of a future Amryt NDA. However, to be eligible for a PRV, Oleogel-S10 must have a Pediatric Rare Disease Designation from the FDA, be granted a priority review by FDA, and ultimately the NDA must be approved by the FDA. Amryt was granted a Pediatric Rare Disease Designation by the FDA in August 2018. On 2 June 2021, the NDA was accepted by the FDA and on 3 June 2021, a priority review for the NDA was granted by the FDA.

Clinical trials are expensive, time consuming and difficult to design and implement and involve uncertain outcomes and, furthermore, results of earlier preclinical studies and clinical trials may not be predictive of results of future preclinical studies or clinical trials.

To obtain the requisite regulatory approvals to market and sell any of our product candidates, or to obtain regulatory approvals to market and sell any of our commercial products for new indications, we must demonstrate, through extensive preclinical studies and clinical trials, that our product candidates are safe and effective in humans. Clinical testing is expensive and can take many years to complete and has inherently uncertain outcomes. Failure can occur at any time during the clinical trial process and in addition regulatory authorities may require further studies at additional cost. Furthermore, regulatory authorities may not agree on the same trial design for pivotal studies. The results of preclinical studies and earlier clinical trials, or the results from earlier stages of preclinical studies or clinical trials, may not be predictive of the results of later-stage clinical trials. For example, the results generated to date in preclinical studies or Phase 1 or Phase 2 clinical trials for product candidates do not ensure that later clinical trials will demonstrate similar results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy outcomes despite having progressed through preclinical studies and initial clinical trials. We may suffer setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding any promising results in earlier clinical trials. As product candidates are developed from preclinical through early to late stage clinical trials towards approval and commercialisation, it is customary that various aspects of the development program, such as manufacturing and methods of administration, are altered along the way in an effort to optimise processes and results. While these types of changes are common and are intended to optimise the product candidates for late stage clinical trials, approval and commercialisation, such changes carry the risk that they will not achieve these intended objectives. In addition, we may experience delays in ongoing or future preclinical studies or clinical trials and we have no certainty as to whether future preclinical studies or clinical trials will begin on time, will need to be redesigned, will enroll an adequate number of subjects or patients on time, if at all, or will be completed on schedule, if at all. Such factors may have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on third parties to conduct clinical trials and registry studies and perform related services, and those third parties may not perform satisfactorily, including by failing to meet established deadlines for the completion of such clinical trials and compliance with post-marketing requirements.

We do not have the resources to independently conduct clinical trials or registry studies or perform pharmacovigilance and Risk Evaluation and Mitigation Strategy ("REMS") program and other risk management plan monitoring and reporting, and we rely on third parties, such as contract research organisations, medical institutions, academic institutions, clinical investigators, specialty pharmacies and other third-party service providers, to perform these functions. Reliance on third parties for these functions reduces our control over such functions. However, if we sponsor clinical trials, we are responsible for ensuring that each of the sponsored clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Our reliance on third parties does not relieve us of these responsibilities and requirements. Furthermore, these third parties may have relationships with other entities, some of which may be our competitors.

If the third parties we rely upon fail to successfully carry out their contractual duties or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the data they provide is compromised or delayed due to the failure to adhere to regulatory requirements or clinical trial protocols, or for other reasons, our current marketing authorisations may be revoked, suspended, or revised to be more stringent. Further, our development programs, including any potential clinical studies, may be extended, delayed or terminated. If we were to experience an unexpected loss of supply of any of our product candidates or any of our future product candidates for any reason, whether as a result of manufacturing, supply or storage issues or otherwise, we could experience delays, disruptions, suspensions or terminations of, or be required to restart or repeat, any pending or ongoing clinical trials. Additional marketing approvals for metreleptin or lomitapide may be delayed or denied in the targeted indication or jurisdiction, and efforts to successfully commercialise Oleogel-S10 if approved, metreleptin, lomitapide, or any other product for targeted indications or in the targeted jurisdiction may be delayed or unsuccessful. Should this occur, any existing approvals could be negatively impacted, which could materially and adversely affect our commercialisation efforts.

Our product candidates may not work as intended, may cause undesirable side effects or may have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

Use of our product candidates could be associated with side effects or adverse events which can vary in severity from minor reactions to serious and/or severe adverse events, and in frequency from infrequent to prevalent. Undesirable side effects or unacceptable toxicities caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, the EMA or comparable regulatory authorities. Results of our trials could reveal a high and unacceptable severity and prevalence of side effects.

If unacceptable side effects arise in the development of our product candidates, we, the FDA, competent authorities of EU Member States, ethics committees, the IRBs, the institutions in which our studies are conducted, or the DSMB could suspend or terminate our clinical trials. The FDA or comparable regulatory authorities could also order us to cease clinical trials or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete any of our clinical trials or result in potential product liability claims. In addition, these side effects may not be appropriately recognised or managed by the treating medical staff. We expect to have to train medical personnel using our product candidates to understand the side effect profiles of our product candidates in our clinical trials and upon any commercialisation of any of our product candidates. Inadequate training in recognising or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may harm our business, financial condition, results of operations and prospects significantly.

STRATEGIC REPORT:
Risks and Uncertainties continued

The regulatory approval processes of the EMA, the FDA and other comparable regulatory agencies may be lengthy and time consuming and the outcome is unpredictable.

Our future success is partly dependent upon our ability to successfully develop, obtain regulatory approval for, and commercialise one or more of our product candidates. There can be no assurance that any development product candidates will be successful in clinical trials or receive regulatory approval. We cannot predict with certainty if or when we might submit for regulatory approval of any of our product candidates currently under development. Any approvals we may obtain may not cover all of the clinical indications for which we are seeking approval. Also, an approval might contain significant limitations in the form of narrow indications, warnings, precautions, or contra-indications with respect to conditions of use.

We are subject to extensive legal and compliance obligations as a pharmaceutical company that commercialises products, as well as under Aegerion's settlements with the DOJ, OIG, FDA, SEC and other federal and state government agencies.

As a pharmaceutical company that develops and commercialises pharmaceutical products, we are subject to an extensive array of broad and complex laws and regulations. These include, without limitation, regulations and laws in the US and outside the US related to manufacturing, clinical, quality, drug safety, commercialisation, payments to and interactions with healthcare professionals and healthcare organisations, anti-kickbacks, fraud and abuse, the requirement to report payments and other transfers of value to healthcare professionals and healthcare organisations, data protection and privacy, pricing, reimbursement, price reporting, anti-corruption and anti-bribery, and a myriad of other areas and levels of regulation. Any failure by us or our key vendors, contractors, distributors, licensors or other key third-party vendors or service providers to comply with such laws and regulations could have a material adverse effect on our results of operations and financial condition, could result in product approvals being suspended, withdrawn, delayed or denied, could result in litigation or investigations which could be costly and be a significant distraction to executive management and other employees, and could result in damages or prosecution.

For example, compliance failures by Aegerion led to a DOJ investigation and ultimately resulted in three separate settlements (Corporate Integrity Agreement, Consent Decree and Deferred Prosecution Agreement) with multiple government agencies (Office of Inspector General ("OIG"), the FDA and DOJ) and aggregate penalties of approximately $40.1 million which have been fully satisfied in the first quarter of 2021. Pursuant to the settlement, we are also required to maintain various remedial and compliance measures, which were implemented as required by the settlement. We may be unsuccessful in implementing and complying with all of the elements of the settlement in a timely or satisfactory manner, or at all. Failure to comply with any provisions of these settlements, or if we became subject to new allegations or whistleblower complaints, could result in the imposition of additional fines, penalties and obligations by the applicable government agency, and could subject us to prosecution.

Furthermore, investigations by Brazilian authorities of Aegerion's activities could result in the commencement of formal proceedings, and if the investigation finds any violation of any laws or governmental regulations, then our Brazilian subsidiary may be subject to civil lawsuits and administrative penalties and other potential damages and fines. Under certain circumstances, the Brazilian subsidiary and our company could be barred from further sales to federal or state governments in Brazil, including sales of Juxtapid or Myalepta, due to penalties imposed by Brazilian regulatory authorities or through civil actions initiated by federal or state public prosecutors.

If we fail to comply with UK, EU or US privacy and data security laws and regulations, we may be subject to civil and criminal penalties and other liability.

We are subject to laws and regulations covering data privacy and the protection of health-related and other personal information. The legislative and regulatory landscape for privacy and data protection continues to evolve, and there has been an increasing focus on privacy and data protection issues which may affect our business, including recently enacted laws in many jurisdictions where we operate. The collection and use of personal health data in the EU and UK is governed by the provisions of the General Data Protection Regulation (EU) 2016/679 ("GDPR"), the Data Protection Act 2018 in the UK and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") in the US. Failure to comply with healthcare laws and laws and regulations covering data privacy and the protection of health-related and other personal information could result in government enforcement actions, which could include civil or criminal penalties, private litigation and adverse publicity

and could negatively affect our business, financial condition, results of operations and prospects.

Our relationships with customers and payers in the US are subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, any breaches of which could expose us to criminal sanctions, civil penalties, contractual damages and reputational harm, could diminish future earnings and could prevent us from achieving our expected financial results.

Our arrangements with third-party payers and customers in the US expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including the federal healthcare Anti-Kickback Statute, the False Claims Act, HIPAA and the Physician Payment Sunshine Act, and similar state and foreign laws and regulations that may regulate the business or financial arrangements and relationships through which we market, sell and distribute our products. The number and complexity of both federal and state laws continue to increase, and additional governmental resources are being used to enforce these laws and to prosecute companies and individuals who are believed to be violating them. While the evolving nature of the regulatory framework makes it difficult to predict what effect the framework and any recent or future changes will have on our business, we anticipate that government scrutiny of pharmaceutical sales and marketing practices will continue for the foreseeable future, and the risk of government investigations and enforcement actions will continue. Responding to a government investigation or enforcement action would be expensive and time-consuming and could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects. Anti-bribery rules in many jurisdictions also prohibit the offer of kick-backs and other inappropriate inducements to prescribe.

We are subject to the UK Bribery Act, the US Foreign Corrupt Practices Act, and other anti-corruption laws, export control laws, import and customs laws, trade and economic sanctions laws and other laws which govern our operations.

Our operations are subject to anti-corruption laws, including the UK Bribery Act, the US Foreign Corrupt Practices Act of 1977 ("FCPA"), the US domestic bribery statute, the US Travel Act, and other anti-corruption laws that apply in countries where we conduct business. The UK Bribery Act, the FCPA and other anti-corruption laws generally prohibit us and our employees and intermediaries from authorising, promising, offering or providing, directly or indirectly, improper or prohibited payments, or anything else of value, to government officials or other persons to obtain or retain business or gain some other business advantage. Under the UK Bribery Act, we may also be liable for failing to prevent a person associated with us from committing a bribery offense. We and our commercial partners operate in a number of jurisdictions that pose a high risk of potential UK Bribery Act or FCPA violations, and we also participate in collaborations and relationships with third parties whose corrupt or illegal activities could potentially subject us to liability under the UK Bribery Act, FCPA or local anti-corruption laws, even if we did not explicitly authorise or have actual knowledge of such activities. In addition, we cannot predict the nature, scope or effect of future regulatory requirements on our international operations or the manner in which existing laws might be administered or interpreted.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the UK and the US, and authorities in the EU, including applicable export control regulations, economic sanctions and embargoes on certain countries and persons, anti-money laundering laws, import and customs requirements and currency exchange regulations (collectively, "Trade Control Laws").

There is no assurance that we will be completely effective in ensuring compliance with all applicable anti-corruption laws, including the UK Bribery Act and the FCPA, or other legal requirements, including Trade Control Laws. If we are not in compliance with the UK Bribery Act, the FCPA and other anti-corruption laws or Trade Control Laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse effect on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the UK Bribery Act, the FCPA, other anti-corruption laws or Trade Control Laws by the UK, US, or other authorities could also have an adverse impact on our reputation, business, financial condition, results of operations and prospects.

STRATEGIC REPORT:
Risks and Uncertainties continued

It may be challenging or costly for us to obtain, maintain, enforce and defend our intellectual property rights. Failure to obtain or protect these rights could adversely affect our business and our ability to compete.

Our success and ability to compete effectively are in large part dependent upon exploitation of proprietary technologies and product candidates that have been developed internally or have been acquired or in-licensed, our ability to protect and enforce our intellectual property rights so as to preserve our exclusive rights in respect of our technologies and product candidates, and our ability to preserve the confidentiality of our know-how.

The patent positions of biotechnology and pharmaceutical companies involve complex legal and factual questions and, therefore, validity and enforceability cannot be predicted with certainty. Patents granted in certain countries may be subjected to opposition, revocation, or the like before various authorities. These proceedings could result in either loss of a patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, derivation, re-examination, post-grant review, IPR, supplemental examination, opposition or revocation proceedings may be costly. We will be able to protect our proprietary rights against third parties only to the extent that our proprietary technologies are protected by valid and enforceable patents or are effectively maintained as trade secrets.

We rely primarily on exclusivity provided by a combination of Orphan Drug approval, data exclusivity, patent rights, trade secrets and confidentiality to protect our intellectual property rights. There can be no assurance that patents pending or future patent applications will be issued, or that the lack of any such patents will not have a material adverse effect on our ability to develop and market our proposed candidates, or that, if issued, we would have the resources to protect or enforce any such issued patent. Also, no assurance can be given that we will develop technologies or candidates that are patentable or that patents will be sufficient in their scope to provide protection for our products or intellectual property rights against third parties. Nor can there be any assurance as to the ownership, validity, patentability, enforceability or scope of any patents that have been, or may in the future be, issued to us or that claims with respect thereto will not be asserted by third parties. Furthermore, we may develop technology important to our businesses that we cannot successfully patent due to the existence of prior art.

If we lose the competitive advantage provided by these intellectual property and other protections, we will not be able to generate sustainable revenues or profits from our product portfolio. If we do not adequately protect and enforce our intellectual property, competitors may erode or negate any competitive advantage we may have, which could materially harm our business and ability to achieve expected financial results.

We may infringe or be alleged to infringe the intellectual property rights of others, which may prevent or delay product development and commercialisation efforts, requiring us to expend resources on litigation or other resolutions, which may materially and adversely affect our business.

Our success will depend in part on our ability to operate without infringing the intellectual property and other proprietary rights of third parties. Identification of third-party patent rights that may be relevant to our products and proprietary technology is difficult due to differences in terminology among patents, incomplete databases and the difficulty and uncertainty in assessing the meaning of patent claims. There could be issued patents of which we are or were not aware that our products infringe. There also could be patents that we believe our products do not infringe, but that our products may ultimately be found to infringe. Moreover, a patent application may be maintained in secrecy until a patent on the application is issued. The publication of discoveries in the scientific or patent literature frequently occurs later, often substantially later, than the date on which the underlying discoveries were made and patent applications were filed. Because patents can take many years to issue, there may be currently pending applications of which we are unaware that may later result in issued patents that our products will be found to infringe. For example, there may exist pending applications that provide support or can be amended to recite a claim that is granted and which our products are later found to infringe.

Legal, political and economic uncertainty surrounding the exit of the United Kingdom from the European Union may be a continued source of instability in international markets and currency exchange rate volatility, and could materially and adversely affect our business, financial condition, results of operations and prospects.

Since the United Kingdom ("UK") has formally left the European Union on 31 January 2020 ("Brexit") and the transition period, during which EU laws continued to apply to the United Kingdom, has expired on 31 December 2020, EU laws now only apply to the United Kingdom in respect of Northern Ireland as laid out in the Northern Ireland Protocol. The European Union and the United Kingdom concluded a trade and cooperation agreement ("TCA"), which was ratified by the UK Parliament on 30 December 2020. The TCA was approved by the European Parliament and took effect from 1 May 2021.

The TCA includes provisions affecting the life sciences sector (including on customs and tariffs) but areas for further discussion between the European Union and UK remain. In addition, there are some specific provisions concerning pharmaceuticals. These include the mutual recognition of Good Manufacturing Practice ("GMP"), inspections of manufacturing facilities for medicinal products and GMP documents issued. The TCA does not, however, contain wholesale mutual recognition of UK and EU pharmaceutical regulations and product standards.

Since 1 January 2021, the EU laws which have been transposed into UK law through secondary legislation continue to be applicable as "retained EU law". As there is no general power to amend these regulations, the UK government has adopted the Medicines and Medical Devices Act 2021 which seeks to address this regulatory gap through introducing regulation-making, delegated powers covering the fields of human medicines, clinical trials of human medicines, veterinary medicines and medical devices. The purpose of the act is to enable the existing regulatory frameworks to be updated, with the powers granted under it only exercisable in relation to four pieces of legislation: The Human Medicines Regulations 2012, the Medicines for Human Use (Clinical Trials) Regulations 2004, the Medicines (Products for Human Use) Regulations 2016 and limited parts of the Medicines Act 1968 (specifically those parts which make provision related to pharmacies). It is then further restricted to amending or updating only those provisions stated in the act, which include clinical trials.

Specified provisions of the Medicines and Medical Devices Act 2021 entered into force on 11 February 2021 when the legislation formally became law. The remaining provisions came into effect within two months of 11 February 2021 or will come into effect otherwise as stipulated in subsequent statutory instruments.

These developments may have a significant adverse effect on global economic conditions and continue to be a source of instability in the global financial markets, and could significantly reduce global market liquidity and limit the ability of key market participants to operate in certain financial markets. In particular, it could also lead to a period of considerable uncertainty in relation to the United Kingdom financial and banking markets, as well as on the regulatory process in the United Kingdom. Asset valuations and currency exchange rates may also be subject to continued market volatility as a result of Brexit and other factors, including those relating to the COVID-19 pandemic.

The ultimate impact of Brexit on our business operations could vary depending on the details of further agreement(s) and Brexit could significantly affect the financial, trade, regulatory and legal landscape in the United Kingdom, and could have a material impact on its economy and the future growth of its various industries, including the pharmaceutical and biotechnology industries. Further, Brexit could lead to legal uncertainty and regulatory divergence between the United Kingdom and the European Union. Given the lack of comparable precedent, it is unclear what financial, trade, regulatory and legal implications the withdrawal of the United Kingdom from the European Union will have and how such withdrawal will affect us. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

CORPORATE GOVERNANCE:
Board of Directors

Ray Stafford – Non-Executive Chairman

Skills, Competence and Experience

Mr. Stafford has been a director of Amryt since 2016. He has worked in the pharmaceutical industry for more than 30 years. He has served as Chairman, Chief Executive Officer and majority shareholder of the Tosara Group which owned, manufactured and marketed the successful international brand Sudocrem and was ultimately integrated into the US based, NYSE listed company - Forest Laboratories, Inc. in 1988. Mr. Stafford held numerous senior positions within such corporations, including Chief Executive Officer of Forest UK and Ireland as well as Chief Executive Officer of Forest Laboratories Europe since 1999. Mr. Stafford retired in 2014 following the sale of Forest Laboratories, Inc. to Actavis plc (now Allergan plc) in a US$28 billion transaction where Mr. Stafford was Executive Vice President of Global Marketing. Separately, Mr. Stafford also founded one of Ireland's leading multi-channel sales, marketing and distribution service providers approved by the Irish Medicines Board (now the Health Products Regulatory Authority) to service the wholesale and retail trade.

Committee Membership

Audit Committee (Member)

Appointment Date

Appointed as Non-Executive Chairman on 24 September 2019

Dr. Joe Wiley – Chief Executive Officer

Skills, Competence and Experience

Joe Wiley founded Amryt and has served as Chief Executive Officer since 2015. He has over 20 years of experience in the pharmaceutical, medical and venture capital industries. Prior to Amryt, Dr. Wiley opened and led the European office of Sofinnova Ventures Inc. He was previously a medical director at Astellas Pharma Limited. Prior to joining Astellas, he held investment roles at Spirit Capital SA, Inventages Venture Capital Investment Inc. and Aberdeen Asset Managers Private Equity Limited. Dr. Wiley trained in general medicine at Trinity College Dublin, specialising in neurology. He holds a Masters of Business Administration from INSEAD and is also a Member of the Royal College of Physicians in Ireland.

Appointment Date

24 September 2019

George P. Hampton Jr – Non-Executive Director

Skills, Competence and Experience

Mr. Hampton joined Currax Pharmaceuticals in April of 2019 as Chief Executive Officer and serves on its board of directors. Prior to joining Currax, Mr. Hampton served as Executive Vice President, in the primary care business unit of Horizon Pharmaceuticals (HZNP), a publicly listed biopharmaceutical company. In this role, he was tasked with leading the company's forward-looking strategy, as well as establishing operational goals for the business. Previously, Mr. Hampton served as Executive Vice President, global orphan business unit and international operations for Horizon Pharmaceuticals. He has more than 25 years of experience as a successful executive in the pharmaceutical and biotechnology field on both a national and international scale including specific expertise in rare disease (ACTIMMUNE, RAVICTI, PROCYSBI), autoimmune (HUMIRA), primary care, orthopaedic (CELEBREX), diabetes (BYETTA), anti-infectives and cardiovascular spaces. This includes roles of increasing responsibility in sales, marketing and operations at G.D. Searle, Abbott (now AbbVie), Amylin and Horizon Pharmaceuticals. Mr. Hampton earned his Bachelor of Science from Miami University in Oxford, Ohio. He serves on the board of IMAC (NASDAQ: IMAC) regeneration medical centers.

Committee Membership

Remuneration Committee (Chairman)

Appointment Date

24 September 2019

Dr. Alain H. Munoz – Non-Executive Director

Skills, Competence and Experience

Dr. Munoz is an entrepreneur and independent management consultant in the pharmaceutical and biotechnology industry and has over 30 years of experience in the industry at the executive level. Dr. Munoz worked with the Fournier Group as Research and Development Director and thereafter as Senior Vice President of the Pharmaceutical Division. Prior to serving at Fournier, he served at Sanofi Group, first as Director in the cardiovascular and anti-thrombotic products department, and thereafter as Vice President of international development. Dr. Munoz qualified in cardiology and anesthesiology from the University Hospital of Montpellier, France where he was head of the clinical cardiology department. He has been a member of the Scientific Committee of the French Drug Agency, is advisor to Kurma Partners, and serves on the scientific advisory board of Valneva SA. In addition, he is an independent board member of Oxthera AB, Auris Medical Holding AG (NASDAQ: EARS) and Zealand Pharma A/S (NASDAQ: ZEAL). Mr. Munoz received an undergraduate degree from the International Institute for Management Development, a doctorate from the University of Montpellier and a graduate degree from the Centre Hospitalier Universitaire Pitie-Salpetriere.

Committee Membership

Remuneration Committee (Member)

Appointment Date

24 September 2019

CORPORATE GOVERNANCE:
Board of Directors continued

Donald K. Stern – Non-Executive Director

Skills, Competence and Experience

Mr. Stern was previously a director of Novelion, Aegerion's former parent company, and was a member of Aegerion's board of directors from September 2015 to October 2016. Mr. Stern serves as Managing Director of Corporate Monitoring & Consulting Services at Affiliated Monitors, Inc., a consulting firm providing independent integrity monitoring services and compliance services across a wide range of regulated industries and professions. He is also Counsel to the Boston law firm of Yurko, Salvesen & Remz. He has had a diverse and distinguished legal career, evenly split between private practice and public service. Prior to joining Affiliated Monitors, Inc., Mr. Stern was a partner at three major law firms: Cooley LLP, Bingham McCutchen LLP and Hale & Dorr LLP (now Wilmer Cutler Pickering Hale and Dorr LLP). Mr. Stern also served as the United States Attorney for the District of Massachusetts, the Chief Legal Counsel to Governor Michael S. Dukakis and the Chief of the Government Bureau in the Massachusetts Attorney General's office. Mr. Stern holds a Masters in Laws from University of Pennsylvania Law School, a Juris Doctor degree from Georgetown University Law Center and a Bachelor of Arts from Hobart College.

Committee Membership

Compliance Committee (Chair)
Audit Committee (Member)

Appointment Date

24 September 2019

Dr. Patrick V.J.J. Vink – Non-Executive Director

Skills, Competence and Experience

Dr. Vink has significant experience as a senior executive, having worked in the pharmaceutical industry for more than 30 years. Dr. Vink serves as Chairman at Acacia Pharma Group plc and Targovax ASA, both publicly listed biopharma companies based in the UK and Norway. Dr. Vink also serves as Chairman of venture capital-backed NMD Pharma, a neurology biopharmaceutical company in Denmark and F2G Ltd, a rare fungal disease UK and Austria based company. In addition, Dr. Vink is a board member at Santhera AG and Spero Therapeutics, Inc. and in 2019 began working with Athyrium as a Senior Advisor. While serving in these capacities, Dr. Vink has been involved in initial public offerings and geographic expansions and has contributed to the achievement of significant development and commercial milestones. Earlier in his career he held several leadership positions across the industry, including Head of Global Biopharmaceuticals for the Sandoz division of the Novartis Group, Vice President International Business for Biogen Inc., and Head of Worldwide Marketing, Cardiovascular and Thrombosis at Sanofi-Synthelabo Ltd. Dr. Vink also served as a member of the Executive Committee of the European Federation of Pharmaceutical Industries and Associations from 2013 to 2015. Dr. Vink graduated as a medical doctor from the University of Leiden, Netherlands in 1988 and obtained his Master of Business Administration in 1992 from the University of Rochester.

Committee Membership

Compliance Committee (Member)

Appointment Date

24 September 2019

Stephen T. Wills – Non-Executive Director

Skills, Competence and Experience

Mr. Wills currently serves as the Chief Financial Officer (since 1997), and Chief Operating Officer (since 2011) of Palatin Technologies, Inc. (NYSE: PTN), a biopharmaceutical company developing targeted, receptor-specific peptide therapeutics for the treatment of diseases with significant unmet medical need and commercial potential. Mr. Wills serves on the boards of directors of MediWound Ltd. (NASDAQ: MDWD), a biopharmaceutical company focused on treatment in the fields of severe burns, chronic and other hard to heal wounds, since April 2017, and as Chairman since January 2018, and of Gamida Cell Ltd. (NASDAQ: GMDA), a leading cellular and immune therapeutics company, since March 2019 (audit and finance committee member). Mr. Wills also has served on the board of trustees and executive committee of The Hun School of Princeton, a college preparatory day and boarding school, since 2013, and its Chairman since June 2018. Mr. Wills served on the board of directors of Caliper Corporation, a psychological assessment and talent development company, since March 2016, and as Chairman from December 2016 to December 2019, when Caliper was acquired by PSI. Mr. Wills served as Executive Chairman and Interim Principal Executive Officer of Derma Sciences, Inc., a provider of advanced wound care products, from December 2015 to February 2017, when Derma Sciences was acquired by Integra Lifesciences (NASDAQ: IART). Previously, Mr. Wills served on the board of directors of Derma Sciences as the lead director and chairman of the audit committee from June 2000 to December 2015. Mr. Wills served as the Chief Financial Officer of Derma Sciences from 1997 to 2000. Mr. Wills served as the President and Chief Operating Officer of Wills, Owens & Baker, P.C., a public accounting firm, from 1991 to 2000. Mr. Wills, a certified public accountant, earned his Bachelor of Science in accounting from West Chester University, and a Master of Science in taxation from Temple University.

Committee Membership

Audit Committee (Chair)
Compliance Committee (Member)
Remuneration Committee (Member)

Appointment Date

24 September 2019

CORPORATE GOVERNANCE:
Chairman's Introduction to Governance

Dear Shareholder,

I am pleased to present the Amryt Pharma plc Corporate Governance Report for the year ended 31 December 2020.

The Corporate Governance report contains details of Amryt's governance structures and highlights areas of focus for the Board and its Committees during 2020. Your Board remains committed to high standards of governance across the Group, in line with our core values of excellence and integrity in all that we do.

The Board adopted the QCA Code on 25 September 2018. The Board of Directors, including myself as Non-Executive Chairman, acknowledges the importance of the ten principles set out in the QCA Code and details of our compliance with the code can be found in the Corporate Governance section of this Annual Report for the 12 months ended 31 December 2020 as well as on our website, www.amrytpharma.com.

This is my second year as Non-Executive Chairman of Amryt and I am aware that the QCA Code charges me with the responsibilities of:

- articulating my role and demonstrating my responsibility for corporate governance;
- explaining how the QCA Code is applied to Amryt and how that application supports the medium to long term success of our Group;
- explaining any areas in which Amryt departs from the expectations of the QCA Code; and
- identifying any key governance related matters that have occurred during the period under review.

I accept these responsibilities and aim to discharge them diligently.

Culture & Strategy

The Board sets the tone and shared values for the way in which the Group operates. Our culture is underpinned by a robust risk management framework consisting of policies, procedures and tasks, including a Code of Conduct which defines business conduct standards for anyone working for, or on behalf of, the Group. Given the importance of culture to the success of our business model, the Board will continue to assess and monitor the Group's culture to ensure that it is aligned with our strategy and values and is adequately embedded across Amryt's global team.

I am committed to fostering a well governed and effective Board to support the delivery of the Group's strategic priorities. The Board is very clear on its responsibility to ensure the Group is capable of delivering on its strategic objectives. We operate with due regard to the interests of all our stakeholders and are aware of the potential impact of our decisions upon them. Having a clearly defined strategy, a robust governance structure and a culture to guide our values and behaviours remains a priority for the Board and in the following pages we explain our approach to governance and how we fulfil our responsibility to ensure that robust governance practices are embedded in every aspect of our business.

Board Composition

On an ongoing basis, I seek to ensure we have the right balance of skills, knowledge and experience on the Board, taking into account our business model, the specific sector in which we operate, the growth in scale of the Group and our geographic expansion.

Our CEO, Dr. Joe Wiley, is the only executive director on the Board. The biographies of all the directors are outlined in pages 36-39 of this annual report for the 12 months ended 31 December 2020. The Board consists of seven members and is weighted towards non-executive representation to ensure the appropriate level of independent review, scrutiny and challenge of the management and the executive function.

I am confident that we have the appropriate balance of sector, financial and public market skills and experience and the appropriate balance of personal qualities and capabilities to execute our duties as a board effectively. I recognise the need for continuous improvement in order to best serve our stakeholders and intend to constantly review the mix of skills and experience we possess in order to deliver the Company's strategic goals.

Board Committees

In 2019, we established a Compliance Committee which has responsibility for overseeing the Group's compliance with laws, regulations, internal procedures, and industry standards. Our other existing Board Committees have continued to perform effectively throughout 2020. You will find, on pages 42 to 45, individual reports giving details of their activities during the year.

ESG Responsibility

The Board recognises the importance of environmental, social and governance matters and aims to consider the differing interests of the Group's stakeholders, including its investors, employees, suppliers and business partners, when operating its business.

Stakeholder Engagement

In order to operate effectively companies must understand those resources and relationships that matter most to their success. The Group's stakeholders include shareholders, employees, customers, healthcare providers, clinicians, patients, suppliers and the community in which it operates. In line with the requirements of the QCA Code, the Board will seek to ensure effective engagement with all stakeholders.

The Board welcomes continuous, open and meaningful discussion with our shareholders and I welcome direct contact and questions from shareholders either in writing or via our website. This year, due to the COVID 19 pandemic, the format of our shareholders general meeting will be different given we will not all be together in person due to the requirement to follow social-distancing guidelines. In these unprecedented times, we will hold a virtual shareholders general meeting in the interests of the health and safety of our shareholders. However, I look forward to brighter times ahead and seeing you all in person as soon as possible.

Finally, I would like to thank my colleagues on the Board and all the Amryt team for their continued support, commitment, challenge and passion for our business.

Ray Stafford
Non-Executive Chairman

23 June 2021

CORPORATE GOVERNANCE:
Chairman's Governance Overview

The Board

The Board is responsible for the overall governance of the Group. The Board comprises of one executive director and six non-executive directors, including the Chairman, as detailed on pages 36 - 39. The Board believe the current split of Non-Executive and Executive Directors is appropriate for the requirements of the Group. The Company acknowledges that the Board is weighted towards independent Non-Executive representation. This is to ensure that there is appropriate independent review, scrutiny, and challenge of the management of the Company and the executive function.

As the business develops, the composition of the Board will remain under review to ensure that it remains appropriate to the requirements of the Group. The current Board is subject to compulsory retirement and will be put up for re-election by rotation at our first annual general meeting to be held at least 24 months after the closing of the acquisition of Aegerion in September 2019. For so long as each of the Athyrium Parties or the Highbridge Parties (or their respective affiliates) respectively hold at least 10% of our issued share capital, the Athyrium Parties and the Highbridge Parties (as applicable) are each entitled to nominate a replacement of the non-independent director (as applicable) selected by them on his or her resignation or retirement. Any such director shall serve on the Board until our next annual general meeting, where such director's appointment will be subject to approval by an ordinary resolution of our shareholders. No director has been nominated by Highbridge since the acquisition of Aegerion in September 2019.

The Board has a formal schedule of matters reserved for its consideration. It is responsible for:

- setting the overall Group strategy and providing leadership to implement the strategy and supervising the management of the business;
- the acquisition or disposal of material corporate entities or assets;
- public announcements (including financial statements); approving or making significant changes in accounting policy, the capital structure and dividend policy of the Group;
- Group remuneration policy; and
- Board structure, composition and succession.

The Board delegates to management, through the executive director, the overall performance of the Group, which is conducted principally through the setting of clear objectives and monitoring of performance against those objectives. The Board is structured so that no one individual or group dominates the decision-making process.

Board Responsibilities

To ensure that the Board operates efficiently and effectively, the Directors and Group Secretary have certain responsibilities in line with their roles:

Non-Executive Chairman

- Leads the Board and promotes a culture of open discussion between Executive and Non-Executive Directors;
- Sets the highest standards of corporate governance; and
- Ensures effective communications with all our stakeholders.

Executive Director

- Develop and execute the Group's strategy in line with the policies and objectives agreed by the Board;
- Manage operational effectiveness and profitability of the Group;
- Promotes the purpose, vision and values of the organisation, both internally and externally; and
- Monitor compliance with the Group's legal, regulatory, corporate governance, social and ethical responsibilities.

Non-Executive Directors

- Contribute to the overall development of Amryt's strategy;
- Provide independent insight based on relevant experience; and
- Monitor and challenge the business performance and the execution of strategy.

Company Secretary

- Ensures correct Board procedures are followed;
- Ensures Directors receive timely and clear information so that Directors are equipped for informed decision making and open debate;
- Advises the Board on policy, procedure and governance; and,
- If necessary, coordinates access to independent professional advice for Directors.

Performance Evaluation

The Board recognises the need to regularly review the effectiveness of its performance as well as that of its committees and individual directors. The Board continues to monitor the skills and experience of each Director as well as the overall performance of the Board.

Meetings and Attendance

Board meetings are scheduled and held at least four times a year and at other times as required to address requirements arising between these scheduled meetings. During the year, fourteen Board meetings were held. The directors attended as follows:

	Full Board	Audit Committee	Compliance Committee	Remuneration Committee
Total Meetings held during the year	14	8	3	2
Directors' Attendance:				
Ray Stafford	14/14	7/8	–	–
Joe Wiley	13/14	–	–	–
George Hampton	13/14	–	–	2/2
Alain Munoz	13/14	–	–	2/2
Don Stern	11/14	8/8	3/3	–
Patrick Vink	14/14	–	3/3	–
Stephen Wills	14/14	8/8	3/3	2/2

Board Committees

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

- Remuneration Committee: Chairman – George Hampton
- Audit Committee: Chairman – Steven Wills
- Compliance Committee: Chairman – Donald Stern

Given the significant number of non-executive directors on the Board with only a single executive director, the Board has not established a Nominations Committee. Instead the whole Board considers matters of nomination and succession. The Board follows a robust process for the appointment of new Board members to identify the skills, experience, personal qualities and capabilities required for the next stage of the Company's development. The Board also monitors succession plans and possible internal candidates for future Board roles.

CORPORATE GOVERNANCE:
Chairman's Governance Overview continued

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, the implementation of the employee share option plan and other performance related schemes. It meets at least twice a year.

The responsibilities of the remuneration committee covered in its terms of reference include the following: determining and monitoring policy on and setting levels of remuneration, termination, performance related pay, pension arrangements, reporting and disclosure, share incentive plans and appointing remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to carry out its responsibilities.

The Remuneration Committee comprises three members, who are all Non-Executive directors: George Hampton, Dr. Alain Munoz and Stephen Wills. The Remuneration Committee is chaired by George Hampton.

Policy on Executive Directors and Senior Management Remuneration

When determining the Board policy for remuneration, the Committee considers all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of this policy is to help attract, retain and motivate the Executive and Senior Management of the Group without paying more than necessary. The remuneration policy bears in mind the Group's appetite for risk and is aligned to the Group's long-term strategic goals. A significant proportion of remuneration is structured to link rewards to corporate and individual performance and is designed to promote the long-term success of the Group.

Audit Committee

The audit committee of the Company has responsibility for, among other things, the monitoring of the financial integrity of the financial statements of the Amryt Group and the involvement of the Amryt Group's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of internal audit, 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 four times a year at the appropriate times in the financial reporting and audit cycle.

The terms of reference of the audit committee cover such issues as membership and the frequency of meetings, as mentioned above, together with requirements of any quorum for and the right to attend meetings. The responsibilities of the audit committee covered in its terms of reference include the following: external audit, financial reporting, internal controls and risk management. The terms of reference also set out the authority of the committee to carry out its responsibilities.

The Audit Committee comprises of three members, who are all non-executive Directors: Stephen Wills, Donald Stern and Ray Stafford. The Audit Committee is chaired by Stephen Wills.

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 24 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.

Compliance Committee

Amryt Established a Compliance Committee in 2019. This Committee has responsibility for overseeing the Group's compliance with laws, regulations, internal procedures and industry standards that may cause significant business, regulatory, or reputational

damage to the Group, as well as legal and business trends and public policy issues. The primary function of the Compliance Committee is to oversee the development and implementation of compliance and ethics policies and practices at the Group. The Compliance Committee comprises three members, Donald Stern, Patrick Vink and Stephen Wills, all of whom are Non-Executive Directors and the committee is chaired by Donald Stern.

Employees

The Group's future success depends on the ability to recruit and retain key employees. Our employee base includes key people in strategic areas including in commercial and medical affairs as we continue to grow our commercial business as well as in clinical and regulatory as we move our development candidates forward.

To date, we have been fortunate to attract and retain highly experienced individuals in sales and marketing, medical affairs, clinical development, clinical operations, regulatory, finance, legal, supply chain, pharmacovigilance and quality assurance, supporting them with exceptional leadership at the executive and Board level.

At 31 December 2020, we had 180 full time employees, 1 Executive Director and 6 Non-Executive Directors, spread across Ireland, US and multiple locations in EMEA and LATAM.

The Board recognises its legal responsibility to ensure the well-being, safety and welfare of the Group's employees and maintain a safe and healthy working environment for them and for our visitors. The Group is fully committed to ensuring that there is no unfair discrimination and stresses the importance in the value that a diverse workforce brings to the organisation. The Group aims not to discriminate because of age, disability, sex or sexual orientation, race, religion or belief. This is captured in our Employee Handbook, which all employees are encouraged to read on an annual basis. All employees also have access to a dedicated whistleblowing hotline. The Group continues to monitor policies to ensure that they promote a healthy corporate culture.

A breakdown of employees by gender as at 31 December 2020 is as follows:

Position	Female	Male	Gender Neutral	Total
Director and Non-Executive Directors	–	7	–	7
Executive leadership/ Senior leadership	15	10	–	25
Employees	91	61	3	155
Total	106	78	3	187

The executive leadership/ senior leadership management consist of those in senior leadership roles with responsibility for the strategic planning, direction and management of the day to day activities of the Group.

Risk Management & Treasury Policy

The Board considers risk assessment to be important in achieving its strategic objectives, with the Board regularly reviewing its projects and activities in this regard. The Group finances its operations through equity, debt funding and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are considered and approved by the Board.

CORPORATE GOVERNANCE:
Chairman's Governance Overview continued

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, Senior Management and any Employee who is in possession of "inside information". All such persons are prohibited from trading in the Group's securities if they are in possession of "inside information". Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

The QCA Corporate Governance Code 2018 – Principles

The QCA Code sets out 10 broad principles and requires the Company to consider how each should be applied. This Report is a summary of the position with the Company's Corporate Governance processes and practices or otherwise "signposts" where other disclosures are made in this document or on the Company's website www.amrytpharma.com, particularly the Company's Corporate Governance Statement: https://www.amrytpharma.com/investors/corporate-governance/.

The Board address the ten principles underpinning the QCA case as follows:

Deliver Growth

1. Establish a strategy and business model which promote long-term value for shareholders

   Our business model and strategy are explained in the Overview section of the Strategic Report on page 3 and page 13 of this Annual Report for the 12 months ended 31 December 2020.

2. Seek to understand and meet shareholder needs and expectations

   See Corporate Governance Section of our website, www.amrytpharma.com

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

   See Corporate Governance Section of our website, www.amrytpharma.com

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

   See "Risks and uncertainties" on page 22

Maintain a dynamic management framework

5. Maintain the board as a well-functioning, balanced team led by the chair

   See this section

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

   See this section and "Board of Directors" on page 36

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

   See this section

8. Promote a corporate culture that is based on ethical values and behaviours

   See this section and "Corporate Governance" section on our website, www.amarytpharma.com

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

   See this section and "Corporate Governance" section on our website, www.amarytpharma.com

Build Trust

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

    See this section and "Corporate Governance" section on our website, www.amarytpharma.com

CORPORATE GOVERNANCE:
Directors' Remuneration Report

Dear Shareholders,

On behalf of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report for the year ended 31 December 2020. We are required to prepare a Directors' Remuneration Report following the Company's listing on the NASDAQ Global Market in 2020 and given our UK incorporation. The Directors Remuneration Report included in this Annual Report on page 53 is outside the scope of the audit report.

The Committee always seeks to ensure that the remuneration of our Executive Director reflects the underlying performance of the business. When approving outcomes, we therefore considered performance against our financial and strategic targets along with wider business and individual performance.

Remuneration Review for the year ended 31 December 2020

Our Executive Director, Joe Wiley, received an increase in base salary of 3% to $710,185 on 1 January 2020.

Details of the fees paid to members of the Non-Executive Board are set out on page 53.

Annual Bonus Plan

The amount of annual bonus paid to the Executive Director was considered in the context of financial, strategic and personal performance for the year ended 31 December 2020. The Committee recommended to the Board the level of bonuses to be paid to the Executive Director and employees, following a review of performance against bonus objectives. This included a stretch bonus as the Company's performance exceeded certain pre-established corporate targets. The level of pay out achieved is the result of strong performance against the short-term objectives, which were considered, reviewed and approved by the Committee. The Board accepted this recommendation and such amounts have been included within this annual report for the 12 months ended 31 December 2020.

Long Term Incentive Plan (LTIP)

The Committee want to ensure that all LTIP metrics and targets remain suitable and aligned with our growth strategy and appropriately incentivise participants. The Committee has been working with its external compensation consultant, Radford (part of Aon plc) over the course of 2020 to prepare an equity strategy which is deemed suitable for the NASDAQ listed company. Radford has recommended participation rates for Amryt based on market data and observed international practices. It was agreed that participation levels would vary by employee location and level within the Company. In 2020, the Committee based its decisions on the Radford's equity strategy advice for all equity grants in 2020. Radford, a highly reputable external third-party advisor, was appointed by the Remuneration Committee to ensure that any advice received in terms of remuneration was objective and independent.

Conclusion

The Committee remains committed to a responsible approach to Executive remuneration, as I trust this Directors' Remuneration Report demonstrates. We continue to believe that the Policy provides a remuneration philosophy that encourages both Executive and Non-Executive Directors to serve in the best interests of the Company and to support the delivery of value to shareholders in the future.

As always, I am happy to meet or speak with shareholders if there are any questions or feedback on our approach to executive remuneration.

Yours sincerely,

George Hampton
Chair of the Remuneration Committee

CORPORATE GOVERNANCE:
Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the Directors' Remuneration Policy for the Company.

The Directors' Remuneration Policy applies to the Executive Director and the Non-Executive Directors appointed to the Board of Directors. Currently, our Chief Executive Officer, Joe Wiley, is the only Executive Director on the Board. All other Board Directors are Non-Executive Directors.

Considerations when determining remuneration policy

The Remuneration Committee has put a Remuneration policy in place with the aim of ensuring that the policy primarily:

- Supports the long-term development, growth and success of the Company;
- Aligns executive remuneration with company's purpose, culture, values and long-term strategy;
- Provides competitive (but not excessive) packages when compared with other companies of a similar size and complexity, in order to attract, retain and motivate high calibre individuals who have the expertise and drive to support the growth of the Company and who can substantially contribute to our success;
- Balances both short-term and long-term incentives to motivate these individuals to achieve our corporate objectives;
- Respects the expectations of shareholders and other stakeholders and conforms to our high standards of corporate governance.

Remuneration Policy – Executive Director

The following section of this report describes the formal remuneration policy applying to the Company's Executive Director. The total remuneration package for the executive Director is made up of the following elements:

- Base salary
- Annual bonus (short term incentive)
- Pension
- Benefits
- Equity incentives (long term incentive)

Base Salary

The Remuneration Committee strives to set this base salary at a level which will attract and retain executive leaders with the relevant qualifications, skills and expertise to drive the Company's growth and development, with the ultimate aim of becoming a world leader in rare and orphan diseases. The Committee has set no maximum salary limit for this position. The Committee works with external compensation consultants (Radford) to determine the appropriate level of salary, in line with other companies of our size and complexity. Radford reviews levels of pay in peer groups on an annual basis and it has been agreed by the Board to use Radford's proposal of the 50th percentile for Executive salary. The level of salary is typically reviewed on an annual basis, with increases normally taking effect from 1 January. The Committee retain discretion to retrospectively increase salaries. When determining the level of increase each year, an assessment of the Executive Directors performance against the corporate objectives is considered as part of the annual review.

Annual Bonus

The annual bonus is included in the compensation package for the Executive Director to encourage the achievement of the Company's short term corporate objectives and strategic goals. The annual bonus for the current Executive Director is set at 65% of base salary. Following advice from our external compensation consultants, there is also a stretch bonus element to the annual bonus. The Committee determines an appropriate stretch bonus percentage each year. Both the base bonus and stretch bonus (if performance exceeds certain targets) are normally paid out in the first Quarter following the end of the financial year and is based on annual performance against targets and objectives set by the Committee. Short-term corporate objectives and targets are set annually and approved by the Committee. In any given year they typically include targets relating to financial milestones, commercial, clinical and corporate development. These various financial and business development targets are chosen each year to ensure they align with the short term corporate objectives of the Company each year. These annual corporate objectives can be revised during the performance period but this requires approval by the Committee. In accordance with the regulations, any changes would be disclosed in the relevant year's report and accounts. At the end of each financial year, the corporate objectives approved at the start of the year are reviewed and their achievement is evaluated by the Committee. Once the evaluation is complete, an overall proposal of bonus is approved by the Committee. The minimum potential level of bonus paid in any year is nil with the maximum being the annual bonus of 65% of base salary plus the stretch bonus percentage which has been approved for that year.

Pension

The Company operates a defined contribution pension plan. The Executive Director is eligible to receive employer payments of 10% of basic salary each month on the condition that the employee also contributes an additional 5% of basic salary each month. Only base salary is pensionable.

Benefits

There is no formal maximum limit on contributions made by the company relating to other benefits in favour of the Executive Director. Other employment benefits may be provided from time to time.

Equity Incentives

The Company grants equity awards to the Executive Director under the terms of the Company's share option plan. The plan allows for the grant of non-qualified stock options, restricted stock units or incentive stock options. By granting equity awards to the Executive Director, the Company aims to align the interests of the participant with those of the Company and encourages employee retention as the options normally vest over a 3-year period and have a seven-year term.

The Committee generally offers equity awards in line with advice given by the external compensation consultants. Stock awards granted under the Stock Option Plan are granted as A ordinary shares and there is a facility in place for participants to convert their A ordinary shares to ADSs on exercise of any equity awards that have vested if they wish to do so. Awards vest in accordance with the vesting schedule which is determined by the Remuneration Committee at the time of the equity award grant.

All equity awards granted to the Executive Director accelerate in a change of control scenario.

Remuneration Policy – Non- Executive Directors

The following section of this report describes the formal remuneration policy applying to the Company's Non-Executive Directors.

The total remuneration for the Non-Executive Directors is made up of the following elements:

- Fees
- Equity incentives

CORPORATE GOVERNANCE:
Directors' Remuneration Policy continued

Fees

The Non-Executive Directors receive a base fee, paid monthly, for the performance of their duties. Fees may be higher for some Non-Executives if they have additional responsibilities. Fees are subject to periodic review at Board level. All reasonable business expenses incurred as part of their role in the Company are reimbursed.

Equity Incentives

The Company grants equity awards to the Non-Executive Directors under the terms of the Company's share option plan. The plan allows for the grant of non-qualified stock options, restricted stock units or incentive stock options. By granting equity awards to the Non-Executive Directors, the Company aims to align the interests of the Non-Executive Directors with those of the Company and encourages retention as the options normally vest over a 3-year period and a seven-year term.

The Committee generally offers equity awards in line with advice given by the external compensation consultants. Awards vest in accordance with the vesting schedule which is determined by the Remuneration Committee at the time of the equity award grant.

All equity awards are granted at the share price at the time of grant. All equity awards granted to the Non-Executive Directors accelerate in a change of control scenario.

Service Agreements

The Executive Director has a rolling service contract with a notice period of 12 months. A copy of the Executive Directors contract can be viewed at the company's head office or requested from the Company Secretary.

The Non-Executive Directors are employed by way of a letter of appointment. The letters of appointments can be viewed at the company's head office or requested from the Company Secretary.

Consideration of shareholder views

The Committee welcomes the views of shareholders and will consider shareholder feedback received as it develops the Company's remuneration policy going forward.

Consideration of employment conditions elsewhere in the Company

The Committee is aware of the remuneration packages by level/ title across the organisation and ensure that the remuneration policy for the Directors has been prepared with this in mind.

Policy on payment for loss of office

The Company is entitled lawfully to terminate the employment of the current Executive Director at any time and with immediate effect by written notification and pay a payment in lieu of notice. In the event of a breach of service agreement, no such payments will be made. Generally, in the event of termination, the service contract may provide for payment of basic salary and contractual benefits over the notice period. The Company may elect to make a payment in lieu of notice equivalent in value to basic salary and contractual benefits for the period of notice period. The Committee's approach to payments in the event that employment is terminated is to take account of the individual circumstances, including the reason for termination, individual performance, contractual obligations and the terms of any remaining or outstanding equity awards. The treatment of outstanding incentive awards on termination of employment is described in the Company's share option plan rules, but the Committee retains the discretion to adopt any treatment that it determines fair and appropriate given the circumstances applicable to individual leavers.

In a change of control scenario, if the Executive Director is terminated other than for cause or if the Executive Director resigns in certain circumstances, e.g. diminution of duties, the Executive Director will be entitled to 24 months' salary, his target bonus of 65% of salary and any unpaid benefits, vacation expenses and expense reimbursements.

New Executive Director/ Non- Executive Director – remuneration

The remuneration package for a new Executive Director will be determined by the Remuneration Committee in accordance with the terms of the policy at the time of his/her appointment. The remuneration package includes salary, bonus, pension, benefits and equity awards. The Committee recognises the need to recruit experienced, talented, highly motivated individuals to this position and as a result, the policy needs to be flexible in relation to recruitment of new personnel to this position in the company. When finalising the remuneration package for a new Executive Director, the Committee will consider the calibre, industry experience and the market rates at the time of the appointment. The need for benefits to be flexible is important. For example, it may be necessary to offer relocation expenses if the candidate is coming from overseas.

The fees for a new Non-Executive Director will be set by reviewing the experience and calibre of the individual and the expected responsibilities that this candidate will take on in the business.

Policy on external appointments

The Executive Director and the Non-Executive Directors may accept external Non-Executive Director positions as long as this additional work does not interfere with the individual's ability to carry out their duties in the Company.

Illustration of application of the policy

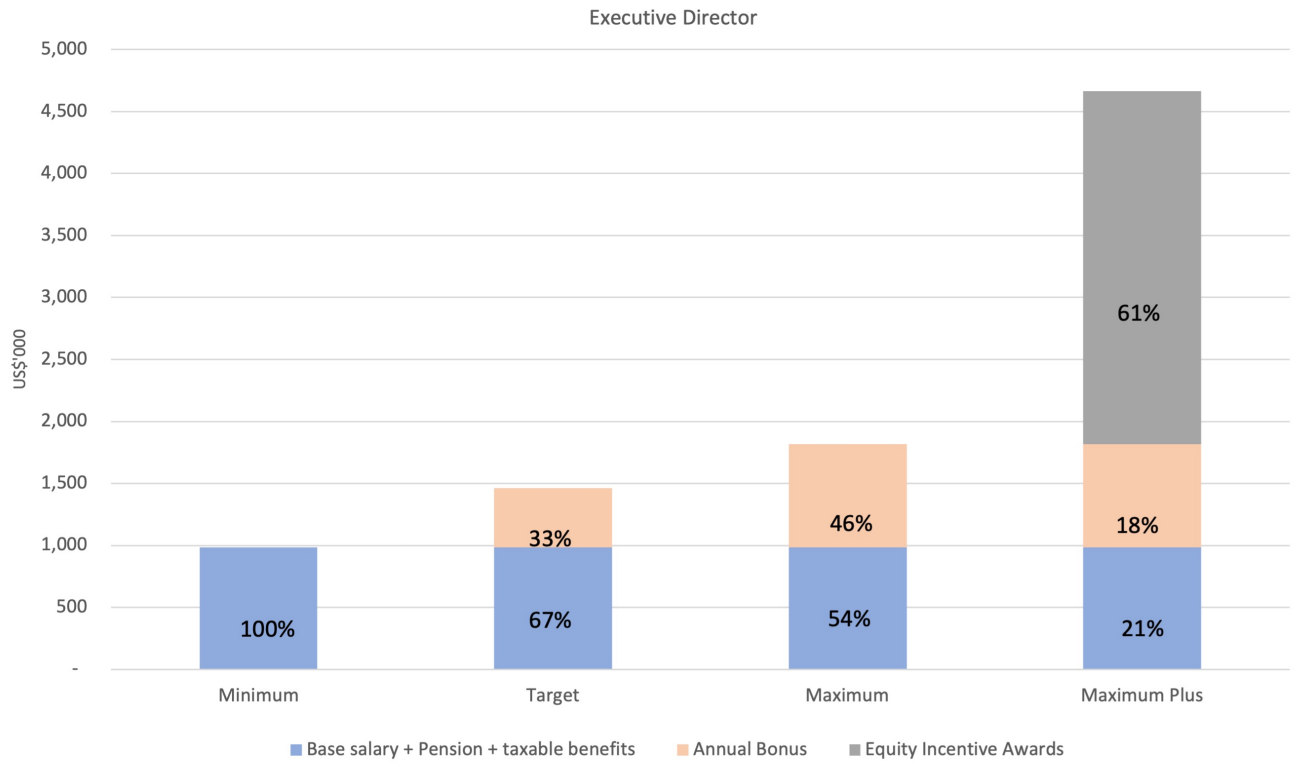
The chart below shows, for illustrative purposes only, what the annual remuneration the Executive Director can expect to receive in 2021 in the event that (1) performance is below expectation (minimum), (2) performance is in line with expectation (target) and (3) exceed targets (maximum) for 2021.

The assumptions used in the calculation are as follows:

- Minimum remuneration comprises annual salary for 2021, employer pension contributions of 10% of base salary and an estimate for taxable benefits for the year ended 31 December 2021;
- Target remuneration reflects minimum remuneration above plus annual bonus at target level (65% of annual base salary);
- Maximum reflects minimum remuneration plus annual bonus plus additional stretch bonus for exceeding targets. For illustrative purposes, we have included the stretch bonus approved by the Committee for 2021 of 175%;
- Maximum Plus as outlined above plus 50% share price growth scenario. There is no minimum or maximum level of equity incentive awards issuable to the Executive officer in any year as per the remuneration policy. No equity awards were granted to the Executive Director in 2020. For the purpose of this illustration, the equity awards granted in 2021 at the date of this annual report have been included. The options vest over 4 years – 25% after 12 months, 25% after 24 months and 50% after 36 months, subject to continued services. Assuming a 50% share price growth scenario, the value of the equity awards in the table below represents the value to the Executive Director that would materialise over the 3 vesting periods from 2022 to 2024.

CORPORATE GOVERNANCE:
Directors' Remuneration Policy continued

The minimum, target and maximum scenarios in the chart do not include any values for equity-based award remuneration. We do not believe it is possible to reasonably quantify the value that might result from awards of market value options in these scenarios.



	Minimum	Target	Maximum	Maximum Plus
	$'000	$'000	$'000	$'000
Equity Incentive	-	-	-	2,848
Annual Bonus	-	475	832	832
Base salary + Pension + taxable benefits	986	986	986	986
Total	986	1,461	1,818	4,666

CORPORATE GOVERNANCE:
Annual Remuneration Report

Directors' Remuneration

The Directors received the following remuneration for the years ended 31 December 2020:

	Salary/ Fees $'000	Bonus $'000	Employer Pension $'000	Equity awards[3] $'000	Other Benefits $'000	2020 Total $'000	Fixed remuneration $'000	Variable remuneration $'000
Ray Stafford	88	–	–	110	–	198	88	110
Joe Wiley	727	739	71	–	182	1,719	798	921
George Hampton	65	–	–	110	–	175	65	110
Alain Munoz	58	–	–	110	–	168	58	110
Donald Stern	80	–	–	110	–	190	80	110
Patrick Vink	60	–	–	110	–	170	60	110
Stephen Wills	88	–	–	110	–	198	88	110
TOTAL	1,166	739	71	660	182	2,818	1,652	1,581

Fixed remuneration consists of salary/ fees and employer pension. Variable remuneration consists of bonus, equity awards and other benefits.

The remuneration of Directors for the year ended 31 December 2019 was as follows:

	Salary/ Fees $'000	Bonus $'000	Employer Pension $'000	Equity awards[3] $'000	Other Benefits $'000	2019 Total $'000	Fixed remuneration $'000	Variable remuneration $'000
Ray Stafford	61	–	–	–	–	61	61	–
Joe Wiley	588	703	50	3,412	31	4,784	638	4,146
George Hampton[1]	17	–	–	–	–	17	17	–
Alain Munoz[1]	15	–	–	–	–	15	15	–
Donald Stern[1]	21	–	–	–	–	21	21	–
Patrick Vink[1]	16	–	–	–	–	16	16	–
Stephen Wills[1]	23	–	–	–	–	23	23	–
Rory Nealon[2]	288	515	27	70	13	913	315	598
Harry Stratford[2]	82	–	–	–	–	82	82	–
James Culverwell[2]	58	–	–	–	–	58	58	–
Markus Ziener[2]	47	–	–	–	–	47	47	–
TOTAL	1,216	1,218	77	3,482	44	6,037	1,293	4,744

Fixed remuneration consists of salary/ fees and employer pension. Variable remuneration consists of bonus, equity awards and other benefits.

1 George Hampton, Alain Munoz, Donald Stern, Patrick Vink and Stephen Wills were all appointed to the Board on 24 September 2019 and their salaries reflect the period from the appointment date to 31 December 2019.

2 Rory Nealon, Harry Stratford, James Culverwell and Markus Ziener resigned from the Board on 24 September 2019 and their salaries reflect their salaries from 1 January 2019 to 24 September 2019.

3 The equity awards granted to the Executive Directors in 2019 and Non-Executive Directors in 2020 is the grant date fair value as computed in accordance with IFRS 2 (Share Based Payments) using a Black-Scholes option pricing model. No equity awards were granted to the Executive Director in 2020. No equity awards were granted to the Non- Executive Directors in 2019.

CORPORATE GOVERNANCE:
Annual Remuneration Report continued

Annual performance bonus

The Company has a bonus plan in place for the Executive Director and all employees. Bonus amounts are set as a percentage of base salary based on performance-based measures against personal and Company-wide target objectives. Bonus payments for the Executive Director are a percentage of base salary, based on performance-based measures against Company-wide target objectives. Following advice from external remuneration consultants, Radford, the Committee introduced a stretch bonus in 2020 which is an additional bonus on top of each individuals agreed percentage of base salary bonus target. The stretch bonus is only paid if the Company exceeded the Company wide target objectives for the year.

For the 2020 performance period the agreed Company-wide target objectives were exceeded, meaning the bonus pay-out for the 2020 performance period is 130% of the base salary for the Executive Director.

Specific details of the actual Company-wide target objectives are considered commercially sensitive and therefore not disclosed in detail. However, the principal factors leading to the payment of the stretch bonus included the following:

- 18.5% growth in revenues for the year ended 31 December 2020 of $182.6M
- Adjusted EBITDA of $30.4M for the year
- Strong cash generation during 2020 with $26.9M of cash generated from operating activities and cash balance at 31 December 2020 of $118.8M
- Positive results from EASE pivotal Phase 3 trial in epidermolysis bullosa ("EB")
- Successful fundraise of $40M
- Completion of Aegerion integration ahead of schedule

In addition, the Committee took into consideration the following achievements which were not incorporated into the Corporate objectives:

- Successful listing on NASDAQ Global Select Market
- Reimbursement approval for Lojuxta in Saudi Arabia
- Marketing Authorisation Approval for Lojuxta in Brazil
- Orphan designation for the use of AP103 in EB from both EMA and FDA
- Appointment of new senior management team members

Long term incentive awards during the financial year

Directors may be granted long-term incentive awards at the discretion of the Committee. In accordance with the Remuneration Policy, the vesting of awards was set by the Remuneration Committee with the objective of aligning long-term employee interests with those of shareholders and providing a competitive remuneration structure that attracts, incentivises and retains all employees in the key markets in which the Company operates.

During the year ended 31 December 2020:

- Having received an equity grant in 2019, the Committee decided that it was not necessary to grant any additional equity awards in 2020 and therefore, the Executive Director was not awarded any equity awards under the Company's 2020 Equity Incentive Plan
- Upon listing on NASDAQ, all Non-Executive Directors were awarded options under the Company's 2020 Equity Incentive Plan over a three-year vesting period. The awards vest 25% after 12 months, 25% after 24 months and the remaining 50% vesting after 36 months, subject to continued service. The options awarded under the Company Equity Incentive Plan were in respect of these Ordinary Shares and do not have performance conditions.

All awards granted under the Equity Incentive Plan during the year ended 31 December 2020 are subject to a service condition and may be exercised at any time between the relevant vesting date and the seventh anniversary of the date of grant. Awards which are not exercised by the end of the seven-year anniversary from the grant date will lapse permanently. The exercise price of all options granted during the year was the market value of the shares upon closing on the day before the grant. Neither the Executive Director or any of the Non- Executive Directors exercised any options in 2020 and no awards lapsed during the year to 31 December 2020.

The options granted to the Non-Executive Directors in 2020 were as follows:

Director	Grant Date	Number of Options (A Shares)[1]	Exercise Price (A Shares)[1] $	Face Value $	Expiration Date
Ray Stafford	9 July 2020	220,000	2.25	495,000	9 July 2027
George Hampton	9 July 2020	220,000	2.25	495,000	9 July 2027
Alain Munoz	9 July 2020	220,000	2.25	495,000	9 July 2027
Donald Stern	9 July 2020	220,000	2.25	495,000	9 July 2027
Patrick Vink	9 July 2020	220,000	2.25	495,000	9 July 2027
Stephen Wills	9 July 2020	220,000	2.25	495,000	9 July 2027

1 All options in the table are granted as options over "A" Ordinary shares which are listed on AIM. The strike price is the market price of the shares listed on AIM upon closing on the day before the grant, translated to US$ on the same date. Amryt shares trade as ADSs on NASDAQ, each ADS representing five Amryt ordinary shares. Similarly, the ADS strike price is five times the A Ordinary strike price.

Payments to past Directors

There were no payments made to past Directors during the year ended 31 December 2020.

Payments for loss of office

There were no payments made to Directors for loss of office during the year ended 31 December 2020.

Directors' service contracts and letters of appointment

The dates of appointment of each of the Non-Executive Directors serving at 31 December 2020, are summarised in the table below:

Non- Executive Director	Date of appointment
Ray Stafford[1]	24 September 2019
George Hampton	24 September 2019
Alain Munoz	24 September 2019
Donald Stern	24 September 2019
Patrick Vink	24 September 2019
Stephen Wills	24 September 2019

1 Ray Stafford was appointed Non-Executive Chairman of Amryt Pharma plc (Company number: 12107859) on 24 September 2019. Prior to this date, Ray was a Non-Executive Director of Amryt Pharma Holdings Limited (Company numbers: 05316808 and previously named Amryt Pharma plc until 24 September 2019) since April 2016.

CORPORATE GOVERNANCE:
Annual Remuneration Report continued

Statement of directors' shareholdings and share interests

The table below sets out, as at 31 December 2020, the beneficial interest in the Company's shares of the Directors (together with interests held by his or her connected persons). In addition, the table below also sets out the total number of options held by Directors which are vested but not yet exercised and the total number of options held by Directors which are unvested.

Director	Beneficially owned A ordinary shares	Number of options vested not yet exercised (A Shares)[1]	Number of options unvested (A shares)[1]
Executive			
Joe Wiley	3,507,080	1,867,006	4,570,454
Non-Executive			
Ray Stafford	1,363,501	–	220,000
George Hampton	–	–	220,000
Alain Munoz	–	–	220,000
Donald Stern	–	–	220,000
Patrick Vink	–	–	220,000
Stephen Wills	–	–	220,000

1 All options in the table are granted as options over "A" Ordinary shares which are listed on AIM. The strike price is the market price of the shares listed on AIM upon closing on the day before the grant, translated to US$ on the same date. Amryt shares trade as ADSs on NASDAQ, each ADS representing five Amryt ordinary shares. Similarly, the ADS strike price is five times the A ordinary share strike price.

The Company does not have a formal policy on Executive or Non-Executive Director shareholdings.

As at 31 December 2020, no unvested equity incentive awards are subject to performance conditions. The table below shows the interests of the Directors in the Company's share options as at 31 December 2020:

Director	Number of options granted (A Shares)[1]	Exercise Price[1]	Grant Date	Expiry Date
Joe Wiley	343,521	£1.21	28 November 2017	28 November 2024
Joe Wiley	316,039	£0.76	21 May 2019	21 May 2026
Joe Wiley	5,777,900	£1.22	5 November 2019	5 November 2026
Ray Stafford	220,000	US$2.25	9 July 2020	9 July 2027
George Hampton	220,000	US$2.25	9 July 2020	9 July 2027
Alain Munoz	220,000	US$2.25	9 July 2020	9 July 2027
Donald Stern	220,000	US$2.25	9 July 2020	9 July 2027
Patrick Vink	220,000	US$2.25	9 July 2020	9 July 2027
Stephen Wills	220,000	US$2.25	9 July 2020	9 July 2027

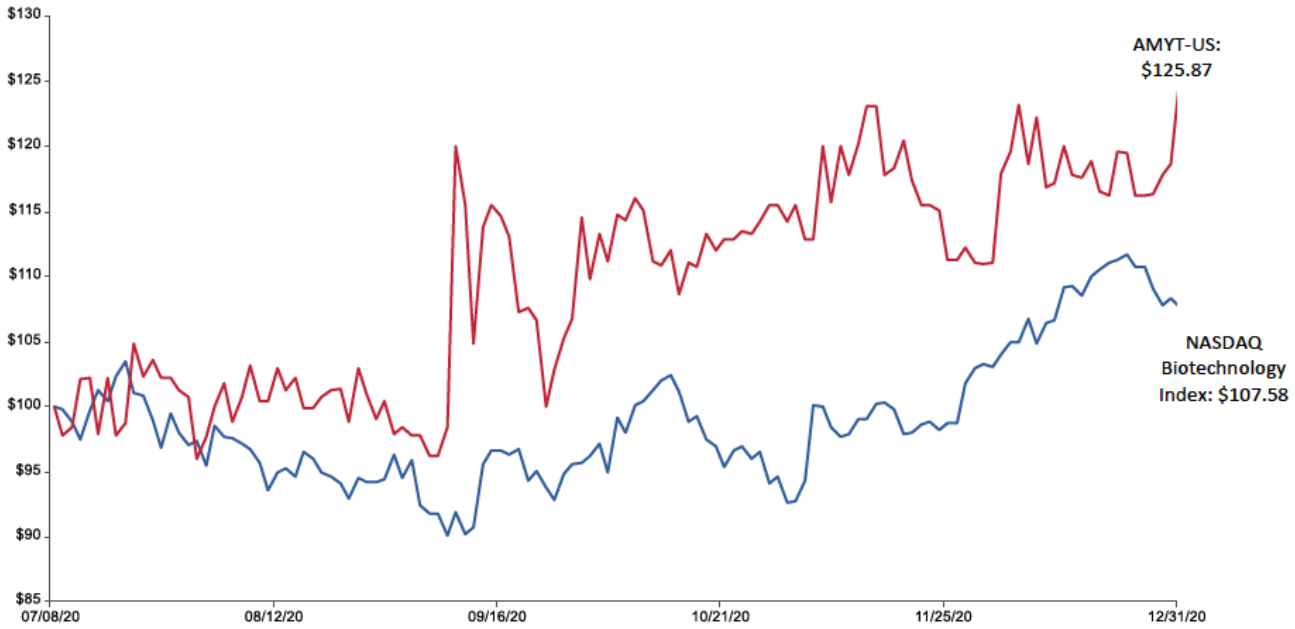
1 All options in the table are granted as options over "A" Ordinary shares which are listed on AIM. The strike price is the market price of the shares listed on AIM upon closing on the day before the grant, translated to US$ on the same date. Amryt shares trade as ADSs on NASDAQ, each ADS representing five Amryt ordinary shares. Similarly, the ADS strike price is five times the A ordinary share strike price.

Under the terms of the Company's Equity Incentive Plan, we have granted market value options to our Executive Director and Non-Executive Directors. Options were granted to the Executive Director in 2017 and 2019. Options were granted to the Non-Executive directors in 2020. These market value options vest over 3 years with 25% vesting 12 months after the grant date, a further 25% vesting 24 months after the grant date and the final 50% vesting 36 months after the grant date. There are no performance conditions attached to these share options.

No options were exercised by the Executive Director or the Non-Executives Directors in 2020 or 2019.

Performance graph

The graph below shows the Company's performance, measured by total shareholder return, relative to the NASDAQ Biotechnology Index. The NASDAQ Biotechnology Index has been selected for this comparison because the Company has been trading on this exchange since July 2020 and is therefore considered to be the most suitable comparator index.



The graph shows the value, by 31 December 2020, of $100 invested in the Company on 8 July 2020, compared with the value of $100 invested in the NASDAQ Biotechnology Index on the same date.

Executive Directors total remuneration history

The Executive Directors remuneration for 2020 is set out below. This will eventually build up to cover a rolling ten-year remuneration history.

	2020 $
Total Executive Director remuneration[1]	1,719,000
Executive Director bonus (as a % of base salary)	130%
Executive Director LTIP vesting (as a % of maximum available)[2]	100%

1 Total remuneration above consists of base salary, bonus, employer pension contribution and other benefits for 2020

2 No share options were granted to the Executive Director in 2020. Options previously granted in 2017 and 2019 vested in 2020. As these options are not subject to performance conditions, the vesting percentage has been recorded at 100%

CORPORATE GOVERNANCE:
Annual Remuneration Report continued

Percentage change of Executive Directors total remuneration

The table below shows the percentage change in remuneration of the Executive Director and the Group's employees as a whole as set out below between the year ended 31 December 2019 and the year ended 31 December 2020:

	Executive Director	Average Employee
Base Salary	23%	(6%)
Annual Bonus	5%	79%
Taxable Benefits	487%	(23%)

Following the acquisition of Aegerion in September 2019, based on the advice of Radford, the Executive Director received a pay increase given the significant increase in the size of the combined company. As part of the Aegerion integration process, a number of roles were moved from Boston, US to Dublin, in late 2019 and early 2020, resulting in a lower average base salary and associated taxable benefits per role.

Relative importance of spend on pay

The Remuneration Committee considers the Company's total revenues relative to salary expenditure for all employees, to be the most appropriate metric for assessing overall spend on pay due to the nature and stage of the Company's business. Dividend distribution and share buy-back comparators have not been included because the Company has no history of such transactions. The table below illustrates the gross pay to all employees for 2020 as compared to total operating expenditure and illustrates the year-on-year change.

	2020 ($'000)	2019 ($'000)	% Change
Gross Pay to all employees	44,219	23,470	188.4%
Total Revenues	182,607	58,124	214.2%

Membership of the remuneration committee and its advisors

The Remuneration Committee comprises three members, who are all Non-Executive Directors: George Hampton, Dr. Alain Munoz and Stephen Wills. The Remuneration Committee is chaired by George Hampton. The Executive Director and Head of HR, as well as others, are invited to attend Remuneration Committee meetings as required to provide advice and assistance.

During the year, the Committee was assisted in its work by Radford. Radford was appointed to provide advice in relation to Directors' remuneration policy and general remuneration matters. Fees paid to Radford in relation to advice provided to the Committee during the year to 31 December 2020 were $172,000, charged on a time/cost basis. The Committee is satisfied that the advice they received from Radford was objective and independent.

The Committee met 2 times during the year and addressed the following main topics:

- Review of annual bonus payments to the Executive Director, the annual bonus plan for all other employees for 2020 and implementing a stretch bonus target for 2020
- Review of equity incentive awards in light of the Company's NASDAQ listing in July 2020
- Implementation of a peer Group for use as public named peers based on industry focus and financial profile

Statement of implementation of remuneration policy for the 12 months ended 31 December 2021

Annual salary

In January 2020 the Executive Director received a 3% increase in annual salary in-line with the other employees. The Executive Director's annual salary increased by 3% on 1 January 2021, in line with the other employees.

Bonus

In line with our Policy, the Executive Director will be eligible for an annual bonus of 65% of basic salary for achievement of target level or 130% of basic salary for achievement of stretch goals for the 2021 financial year. The bonus will be subject to the achievement of short-term corporate objectives which have been set by the Committee with respect to the FY2021 performance period. The short-term objectives cover key objectives that relate to the achievement of the Group's wider strategic goals including, for 2021, measures relating to financial milestones, clinical and corporate development. The amount of bonus payable is at the discretion of the Committee subject to review of performance against the short-term corporate objectives at the end of the financial year. The Committee has chosen not to disclose, in advance, the detailed performance targets for the forthcoming year as these include matters which the Committee considers commercially sensitive. Retrospective disclosure of the performance against the corporate objectives will be made in next year's Annual Report on Remuneration to the extent any such disclosure is considered not to be commercially sensitive at that time.

Benefits and pension

The Executive Director will continue to be eligible to receive pension contributions from the Company to the value of 10% of basic salary. No significant changes are expected to the provision of other benefits.

Long-term incentive plan

In line with the Policy, the Committee has issued market value options to the Executive Director during 2021.

On March 8, 2021, equity incentive awards were granted to the Executive Director under the 2020 Equity Incentive Plan. These equity incentive awards were market value options over A Ordinary shares and the vesting period is three years; 25% of the award vesting 12 months after the grant date, 25% of the award after 24 months from the date of grant and the balance of 50% of the award vesting 36 months after the date of grant. No performance conditions were attached to the awards.

Director	Number of options granted (A Shares)[1]	Exercise Price[1]	Grant Date	Expiry Date
Joe Wiley	2,031,350	$2.80	8 March 2021	8 March 2028

1 All options in the table are granted as options over "A" Ordinary shares which are listed on AIM. The strike price is the market price of the shares listed on AIM upon closing on the day before the grant, translated to US$ on the same date. Amryt shares trade as ADSs on NASDAQ, each ADS representing five Amryt ordinary shares. Similarly, the ADS strike price is five times the A ordinary share strike price.

Non- Executive Directors' fees

The Committee did increase Non-Executive Directors fees in 2021 to date. No new equity awards were granted to the Non-Executive Directors in 2021 to date.

This directors' remuneration report has been approved by the Board and signed on behalf of the Board.

Joe Wiley
Director
23 June 2021

CORPORATE GOVERNANCE:
Directors' Report

The Directors of the Company present their report and the Financial Statements of the Company and its subsidiary undertakings (together the "Group" or "Amryt") for the 12 months ended 31 December 2020.

Amryt Pharma plc was incorporated under the UK Companies Act 2006 on 17 July 2019 as a private company limited by shares under the name Amryt Pharma Holdings Limited. Following a re-registration as a public company in September 2019 in connection with the scheme of arrangement under which we acquired Aegerion, we became the parent company of our legacy businesses and changed our name to Amryt Pharma plc.

Directors

The Directors who served on the Board of Amryt Pharma plc during the period to the date of this report are as follows:

Ray Stafford (Non-Executive Chairman)
Dr. Joe A. Wiley (Chief Executive Officer)
George P. Hampton Jr. (Non-Executive Director)
Dr. Alain H. Munoz (Non-Executive Director)
Donald K. Stern (Non-Executive Director)
Dr. Patrick V.J.J. Vink (Non-Executive Director)
Stephen T. Wills (Non-Executive Director)

Principal activities

The Strategic Report on pages 2 to 35 describes the Group's principal development activities, strategy and future developments.

Amryt is a global commercial-stage biopharmaceutical company focused on acquiring, developing and commercialising novel treatments to help improve the lives of patients with rare and orphan diseases.

Results and Dividends

The Group recorded a total loss for the 12 months attributable to equity holders of the parent of $104.5 million (2019: $63.0 million). The Directors do not recommend payment of a dividend (2019: nil).

Research and Development

For the 12 months ended 31 December 2020, we spent $27.6 million (2019: $15.8 million) on research and development activity. Research and development spend primarily reflects the underlying activity on clinical trials for our products as well as the manufacturing of drug product together with the internal costs, including payroll directly attributable to these activities. Further details of our product programs and research and development spend can be found within the Strategic Report.

Share Capital Structure

The Company's ordinary shares of £0.01 are listed on the NASDAQ (AMYT) and the AIM Market of the London Stock Exchange (AMYT). At the date of this report, 183,593,296 ordinary shares of £0.01 each were in issue of which 4,208,314 are treasury shares. Details of share issues and changes to the capital structure during the 12 months ended 31 December 2020 are set out in note 17 of the Notes to the Financial Statements.

Substantial Shareholdings

To the Company's knowledge, the following shareholders had an interest of 3% or more in the issued ordinary share capital of the Company:

Rank	Investor	31 December 2020 Number	31 December 2020 %	31 December 2019 Number	31 December 2019 %
1	Athyrium Capital Mgt	44,286,346	24.8%	42,883,097	27.8%
2	Highbridge Capital Mgt.	15,732,313	8.8%	11,073,825	7.2%
3	Novelion Therapeutics Inc	12,490,250	7.0%	14,040,250	8.1%
4	Edgepoint Investment Mgt	12,126,650	6.8%	12,126,650	7.8%
5	Stonepine	11,082,415	6.2%	1,465,000	0.0%
6	Software AG-Stiftung	10,212,153	5.7%	10,212,153	6.6%
7	UBS Group AG	9,950,000	5.6%	8,816,367	5.7%
8	Amati	6,860,513	3.8%	2,439,513	1.6%
9	Axa SA	6,494,164	3.6%	6,494,164	4.2%

Qualifying Indemnity Provision

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.

Financial Risk Management Objectives and Policies

Refer to Note 24 of the financial statements for further details on our financial risk management objectives and policies, including information on exposure to price risk, credit risk, liquidity risk and cash flow risk.

Information on Environmental Matters

The Company is required to measure and report greenhouse gas emissions. 2020 is reported as the baseline year against which future performance will be measured.

Energy and Carbon Reporting

Quantification and reporting methodology

This report was compiled by Management. The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed to ensure the Streamlined Energy and Carbon Reporting ("SECR") requirements were met.

The energy data was collated using existing reporting mechanisms. These methodologies provided continuous record of electricity use. The energy data was converted to carbon emissions using the 2020 UK Government GHG Conversion Factors for Company Reporting. The associated emissions are divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity, heating and cooling (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3). During the 12 months ended 31 December 2020, the Group only had emissions relating to Scope 1 and Scope 2.

CORPORATE GOVERNANCE:
Directors' Report continued

Estimations

The total consumption for energy supplies are as follows:

	2020
Consumption by the company (in KWH)	1,639,966
Emissions associated with the reported energy use (tCO2E)	441.38

Intensity Ratio

The chosen intensity ratio is the total gross emissions in metric tonnes CO2e (mandatory emissions) per employee.

	2020
Tonnes of CO2e per employee	2.71

Energy Efficiency Action for the 12 months ended 31 December 2020

Energy efficiency is an important issue for the Group and the following actions related to reducing energy use were implemented with the current reporting period.

The Group has three principal office locations – the Group HQ in Dublin, Ireland, the US HQ in Boston, USA and a manufacturing facility in Niefern, Germany. The Group significantly reduced its energy consumption in the Irish and US offices as both locations temporarily shut down their offices in March 2021 as a result of the COVID-19 pandemic. Going forward, the Group intends to operate a hybrid model, reducing the number of employees in the office and therefore reducing energy consumption.

As a result of the COVID-19 restrictions, we have significantly reduced travel and pivoted to increased use of video conferencing for external and board meetings. While we expect the level of travel to increase post pandemic, we do not expect to revert back to levels of travel pre-pandemic as we continue to make use of video conferences as a means of communication.

Going Concern

The business activities of the Group are outlined on page 3 and the factors which may affect the Group future development and performance are outlined on pages 22 – 35. The financial review on page 15 discusses the Group's financial and liquidity position and borrowing facilities. In addition, note 24 to the Consolidated Financial Statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit, currency and liquidity risks.

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.

Events after the Reporting Period

Events after the reporting period are set out in note 28 to the consolidated financial statements. Likely future developments in the business are discussed in the Strategic Report section.

Auditors

The Board are recommending Grant Thornton for re-appointment as auditor of the Group. Grant Thornton have expressed their willingness to accept this appointment and a resolution re-appointing them will be submitted to the forthcoming shareholders 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 Group'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 annual reports and the financial statements in accordance with the Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

As required by the AIM Rules of the London Stock Exchange we are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and have elected to prepare the Company financial statements on the same basis for the 12 months ended 31 December 2020. 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 and Company for that period.

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 EU, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AIM Rule Compliance Report

Amryt Pharma plc is traded on AIM and as a result the Group and Company has complied with AIM Rule 31 which requires the following:

- sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- the Company to seek advice from Nominated Adviser ("Nomad") regarding its compliance with the Rules whenever appropriate and take that advice into account;
- the Company to provide the Nomad with any information it reasonably requests in order for the Nomad to carry out its responsibilities under the AIM Rules and the AIM Rules for Nominated Advisers, including any proposed changes to the Board and provision of draft notifications in advance;
- the Company to ensure that each of the directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- the Company to ensure that each director discloses without delay all information which the Group needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the director or could with reasonable diligence be ascertained by the director.

CORPORATE GOVERNANCE:
Directors' Report continued

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 Amryt's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of Amryt's website is the responsibility of the Directors.

This report was approved by the Board on 23 June 2021 and signed on its behalf by:

Joe Wiley
Director

Independent auditor's report to the members of Amryt Pharma plc

For the year ended 31 December 2020

Opinion

We have audited the financial statements of Amryt Pharma plc (the 'Company') and its subsidiaries (together the 'Group'), which comprise the Consolidated statement of comprehensive loss, the Consolidated statement of financial position, and the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of financial position, the Company statement of comprehensive loss, the Company statement of cash flows, the Company statement of changes in equity for the year ended 31 December 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, Amryt Pharma Plc's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union of the financial position of the Group and Company as at 31 December 2020 and of the Group's and Company's financial performance and cash flows for the year then ended; and
- have been properly prepared in accordance with the terms as set out in the basis of preparation note disclosed in Note 2.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs UK'). Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Group and Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue as a going concern basis of accounting included:

- Evaluating management's future cash flow forecasts, the process by which they were prepared, and assessed the calculations are mathematically accurate;
- Challenging the underlying key assumptions incorporated into the Group and Company's cash flow forecasts;
- Regarding revenue projections, challenging the estimates made by management by assessing whether the estimates regarding sales forecasts and sales prices are in line with historical revenues to date and current contracts in place;
- Challenging the sensitivities and stress testing that management performed on the cash flow forecasts; and
- Assessing the adequacy of the disclosures with respect to the going concern assertion.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Amryt Pharma plc continued

For the year ended 31 December 2020

Key audit matters

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

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our areas of focus included:

- Impairment of goodwill and intangible assets (Group)
- Accounting for Contingent Value Rights (CVRs) (Group and Company)
- Valuation of in-process research and development (IPR&D) and contingent consideration (Group)
- Revenue recognition – U.S. pharmaceutical rebate reserves (Group)

How we tailored the audit scope

The Group is a global commercial-stage biopharmaceutical company focused on acquiring, developing and commercialising innovative treatments to help improve the lives of patients with rare and orphan diseases. The Company is incorporated in England and Wales and is listed on National Association of Securities Dealers Automated Quotations (NASDAQ) Global Select Market under the symbol AMYT and is also trading on the Alternative Investment Market (AIM) of the London Stock Exchange.

We tailored the scope of our audit taking into account the areas where the risk of misstatement was considered material to the Group and Company, the nature and structure of the Group and Company's business and the industry in which they operate.

In establishing the overall approach to our audit, we assessed the risk of material misstatement at Group and Company level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the control environment in place at Amryt Pharma plc.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected seven components out of the 31 reporting components of the Group. The seven components cover entities across Europe and the Americas, which represent the principal business units with the Group.

Of the seven components selected, we performed an audit of the complete financial information of the four components ("full scope components") which were selected based on their size or risk characteristics. For the remaining three components, we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The components where we performed full or specific audit procedures approximately accounted for 98% of the Group's total assets, 99% of the total revenue and 94% of the total loss before taxes. We performed an audit of the complete financial information of the Company.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Group and Company and their environment, the history of misstatements, the complexity of the Group and Company and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for:

- Group: 1.5% of total revenue for the year ended 31 December 2020. Revenue was chosen as benchmark because revenue growth is the focus of the users of the financial statements and one of the key financial metrics of the Group. Further, 2020 is the first full year where revenue for the revenue generating assets, Metreleptin and Lomitapide has been reported since Aegerion acquisition in 2019.
- Company: 1% of total equity/net assets. The Company holds the Group's investments and is not in itself profit-oriented. The strength of the statement of financial position is the key measure of financial health that is important to shareholders.

We set performance materiality at a lower level than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements. Performance materiality was set at 65% of each of the Group and Company materiality for the 2020 audit.

In determining performance materiality, we have considered our risk assessment, including our assessment of the Group's overall control environment.

We agreed with the audit committee that we would report to them misstatements identified during our audit above 5% of materiality, for the Group and Company, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditor's report to the members of Amryt Pharma plc continued

For the year ended 31 December 2020

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Description of significant matters	Our responses to significant matters	Key observations communicated to the Audit Committee
Impairment of goodwill and intangible assets (Group) As at 31 December 2020, the Group's intangible assets had net book value of $305 million and goodwill of $19 million. The intangible assets include the net book value of acquired developed technology from Aegerion acquisition in 2019, namely, Metreletin and Lomitapide. We have determined the valuation of these intangible assets and goodwill to be a key audit matter due to the size of the purchased intangible assets, and also because the valuation of the intangible assets and goodwill involve significant judgement. The following significant judgements and estimates used in the management's impairment assessment could be selected inappropriately resulting in material misstatement: – Selection of appropriate discount rates – Revenue growth and cash flow forecasts As a consequence, there is greater risk of fraud or error due to management override of controls. Refer to note 12 of the financial statements for further details.	We reviewed the Group's assessment of whether there were any indicators of impairment for goodwill and purchased intangible assets. Where a full impairment assessment had been carried out, we evaluated and challenged management's assumptions and judgements used in the calculation of the future cash flows, which include but are not limited to revenue projections and discount rates. We performed integrity and mathematical accuracy checks on the forecasting model used to estimate recoverable amounts. We performed sensitivity analysis to determine the reasonableness of the input and output variables used in the model. We assessed the adequacy of the financial statements disclosures in respect of these transactions.	We completed our planned audit procedures with no exceptions.

Description of significant matters	Our responses to significant matters	Key observations communicated to the Audit Committee
Accounting for CVRs (Group and Company) On 23 September 2019 (prior to, but in conjunction with, the acquisition of Aegerion on 24 September 2019), Amryt issued CVRs amounting to $85 million to existing shareholders and option holders of Amryt. The contingent value rights arising on these transactions are payable on achieving certain regulatory and revenue milestones. As at 31 December 2020, the CVR liability in the Consolidated and Company Statement of Financial Position was valued at $61 million and the $12 million non-cash finance charge included the Consolidated and Company Statement of Comprehensive Loss, to reflect the amortised cost of CVR liability as at 31 December 2020. The amortised cost of CVR liability represents the present value of the re-estimated future contractual cash flows as at 31 December 2020. Amryt's management engaged an external valuation specialist to estimate the expected cash flows to arise based on certain assumptions. The key assumptions include payment amounts, expected timing of achievement of the regulatory approvals, probability of payments, forecasted revenue and applicable discount rates. The valuation method and the assumptions used involved a degree of complexity and further involved significant judgement and estimates. The existence of significant estimation uncertainty warrants significant audit attention. Refer to note 6 of the financial statements for further details.	We have obtained an understanding on management's accounting process and controls on the valuation of CVRs. We reviewed and analysed the CVR related agreements and verified whether the conditions are correctly reflected in the valuation of CVR. We evaluated the Group's and Company's assumptions and judgements applied in the assessment of the valuation of the CVRs through review of the reasonableness of the inputs and assumptions used in the model which included but not limited to cash flows, budgeted revenue growth, discount rates and probability factors. We involved our valuation specialists within the engagement team to assist in the review of the appropriateness of the discount rates applied in the valuation model. We performed integrity and mathematical accuracy checks on the model as well as performing sensitivity analysis to determine the reasonableness of the input and output variables in the model. We assessed the adequacy of the financial statements disclosures in respect of this transaction.	We completed our planned audit procedures with no exceptions.

Independent auditor's report to the members of Amryt Pharma plc continued

For the year ended 31 December 2020

Description of significant matters	Our responses to significant matters	Key observations communicated to the Audit Committee
Valuation of IPR&D and contingent consideration (Group) As a result of the acquisition of Amryt AG and Som Therapeutics Corp. in 2016, the Group recognised IPR&D costs as intangible assets with corresponding credit to contingent consideration liability. The carrying value of IPR&D as at 31 December 2020 was $60 million. The contingent consideration is recognised at fair value and is based on the same forecasting model used to assess the recoverable amount of IPR&D intangible assets. At 31 December 2020, the Group recorded a contingent consideration liability of $87 million with the change in fair value of $28 million (recorded in the Consolidated Statement of Comprehensive Income). The products that the IPR&D relate to are development assets, which are not yet ready for use. International Accounting Standard (IAS) 36, Impairment of Assets, requires that irrespective of whether there is an indication of impairment, an entity shall test an intangible asset, not yet available for use, for impairment annually by comparing its carrying value with its recoverable amount. We considered the valuation of IPR&D and contingent considerations as a key audit matter because of the significant judgement required by management in assessing the recoverable amount of the asset and fair value of the contingent consideration liability at year-end. The valuation of both IPR&D and fair value determination of the contingent consideration involve forecasting and discounting of future cash flows, which are complex and are heavily reliant on assumptions which could be affected by future market or economic developments. Refer to note 12 of the financial statements for further details.	We have obtained an understanding on management's accounting process and controls on the valuation of IPR&D and contingent consideration. We reviewed the Group's assessment of whether there were any indicators of impairment and ensured this was consistent with our understanding of the business and its activities. We evaluated and challenged management's assumptions and judgements used in the calculation of the future cash flows, which include but are not limited to revenue projections, discount rates and probability of clinical development success. We interviewed research and development personnel employed by the Group in order to obtain a more detailed understanding of the stage of development of the associated IPR&D assets and their future opportunities. We corroborated results with our understanding of the Group's operations to date. We performed integrity and mathematical accuracy checks on the forecasting model used to estimate recoverable/fair value amount. We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of IPR&D and contingent consideration to be materially misstated.	We completed our planned audit procedures with no exceptions.

Description of significant matters	Our responses to significant matters	Key observations communicated to the Audit Committee
Revenue recognition – U.S. pharmaceutical rebate reserves (Group) As described in note 2, the Group recognises revenue when the control of the goods or services were transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Rebates are accounted for as a variable consideration and recorded as reduction in sales. The liability for such rebates is recognised within accrued rebates on the Consolidated Statement of Financial Position. Majority of the Group rebates relate to sale of pharmaceutical goods of the group within the U.S. (i.e. Medicaid programs). The Group is required to pay rebate for each unit of product sold to customers covered by the program. As of 31 December 2020, Medicaid rebate expense deducted against sales amounted to $34 million and remaining accrual of $19 million. We considered this as a key audit matter because management applied significant judgement which involve significant measurement uncertainty in developing these reserves. This in turn led to a high degree of auditor judgement and subjectivity and audit effort in applying procedures for the assumptions related to contractual terms with customers, historical experience and projected market conditions in the U.S. pharmaceutical market.	We have obtained an understanding on management's rebates recognition and calculation process. We reviewed the basis of rebate accrual calculation and recalculated the expected amount of rebates by utilising third party information and market conditions in the U.S. We compared our recalculation to management's estimate and assessed its reasonableness. We performed a review of the historical trend of actual rebate claims paid against the estimated accruals. We selected samples to test rebate claims processed, including evaluating those claims for consistency with the contractual and mandated terms of the rebate arrangements and traced payments made to different U.S. government states to the bank statements.	We completed our planned audit procedures with no exceptions.

Independent auditor's report to the members of Amryt Pharma plc continued

For the year ended 31 December 2020

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities section of the Directors' report, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group and company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

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

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and the Company's industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with NASDAQ and AIM Rules, Data Privacy law, Employment Law, Environmental Regulations, Health & Safety, Sales and Marketing of Pharmaceutical Products and Other Laws affecting the Group and the Company in the United States, and we considered the extent to which non-compliance might have a material

effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as applicable tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of board, internal audit, risk and compliance and legal functions and audit committee on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's and Company's regulatory and legal correspondence and review of minutes of board of directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment assessment of intangible assets and goodwill, valuation of contingent considerations and contingent value rights;
- review of the financial statements disclosures to underlying supporting documentation and inquiries of management;
- we assessed the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's: (i) understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation (ii) knowledge of the industry in which the client operates (iii) understanding of the legal and regulatory requirements specific to the Group and Company.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent auditor's report to the members of Amryt Pharma plc continued

For the year ended 31 December 2020

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

This report is made solely to the Company's members, as a body, in accordance with the agreed scope of our engagement. 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 parent company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Murray
(Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants & Registered Auditors
Dublin 2
Ireland
Date: 23 June 2021

Consolidated Statement of Comprehensive Loss

Year ended 31 December 2020

	Note	Year ended 31 December 2020 US$'000	Year ended 31 December 2019 restated* US$'000
Revenue	3	182,607	58,124
Cost of sales	4	(119,029)	(38,733)
Gross profit		63,578	19,391
Research and development expenses		(27,618)	(15,827)
Selling, general and administrative expenses		(76,673)	(35,498)
Restructuring and acquisition costs	6	(1,017)	(13,038)
Share based payment expenses	5	(4,729)	(841)
Impairment charge	12	–	(4,670)
Operating loss before finance expense	7	(46,459)	(50,483)
Non-cash change in fair value of contingent consideration	6	(27,827)	(6,740)
Non-cash contingent value rights finance expense	6	(12,004)	(1,511)
Net finance expense – other	9	(19,569)	(4,759)
Loss on ordinary activities before taxation		(105,859)	(63,493)
Tax credit on loss on ordinary activities	10	1,332	495
Loss for the year attributable to the equity holders of the Company		(104,527)	(62,998)
Exchange translation differences which may be reclassified through profit or loss		(2,164)	755
Total other comprehensive (loss)/income		(2,164)	755
Total comprehensive loss for the year attributable to the equity holders of the Company		(106,691)	(62,243)
Loss per share			
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (US$)	11	(0.66)	(0.83)

* see Note 27

Consolidated Statement of Financial Position

Year ended 31 December 2020

	Note	As at 31 December 2020 US$'000	As at 31 December 2019 restated* US$'000
Assets			
Non-current assets			
Goodwill	12	19,131	19,131
Intangible assets	12	305,369	342,327
Property, plant and equipment	13	7,574	3,036
Other non-current assets		1,542	1,873
Total non-current assets		333,616	366,367
Current assets			
Trade and other receivables	14	43,185	35,500
Inventories	15	40,992	58,000
Cash and cash equivalents, including restricted cash	16	118,798	67,229
Total current assets		202,975	160,729
Total assets		536,591	527,096
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	17	13,851	11,918
Share premium	17	51,408	2,422
Other reserves	17	236,488	248,630
Accumulated deficit		(235,605)	(131,137)
Total equity		66,142	131,833
Non-current liabilities			
Contingent consideration and contingent value rights	6	148,323	102,461
Deferred tax liability	18	6,612	7,147
Long term loan	19	87,302	81,610
Convertible notes	20	101,086	96,856
Provisions and other liabilities	22	25,951	4,963
Total non-current liabilities		369,274	293,037
Current liabilities			
Trade and other payables	21	90,236	78,351
Provisions and other liabilities	22	10,939	23,875
Total current liabilities		101,175	102,226
Total liabilities		470,449	395,263
Total equity and liabilities		536,591	527,096

* see Note 27

The Financial Statements set out on pages 75 to 136 were approved and authorised for issue by the Directors on 23 June 2021.

They are signed on the Board's behalf by:

Joe Wiley
Director

Company Number:
12107859

Consolidated Statement of Cash Flows

Year ended 31 December 2020

	Note	Year ended 31 December 2020 US$'000	Year ended 31 December 2019 restated* US$'000
Cash flows from operating activities			
Loss on ordinary activities after taxation		(104,527)	(62,998)
Net finance expense – other	9	19,569	4,759
Depreciation and amortisation	12,13	44,465	12,281
Amortisation of inventory fair value step-up	4,7	27,617	7,473
Loss on disposal of fixed assets		133	43
Share based payment expenses	5	4,729	841
Non-cash change in fair value of contingent consideration	6	27,827	6,740
Non-cash contingent value rights finance expense	6	12,004	1,511
Impairment of intangible asset	12	–	4,670
Deferred taxation credit		(535)	(934)
Movements in working capital and other adjustments:			
Change in trade and other receivables	14	(7,685)	(4,732)
Change in trade and other payables	21	8,909	(6,337)
Change in provision and other liabilities	22	4,663	4,928
Change in inventories	15	(10,609)	(5,894)
Change in non-current assets		331	177
Net cash flow from (used in) operating activities		26,891	(37,472)
Cash flow from investing activities			
Net cash received on acquisition of subsidiary	6	–	24,985
Payments for property, plant and equipment	13	(1,503)	(578)
Payments for intangible assets	12	(963)	(74)
Deposit interest received		87	92
Net cash flow (used in) from investing activities		(2,379)	24,425
Cash flow from financing activities			
Proceeds from issue of equity instruments, net of expenses	17	37,927	63,009
Proceeds from long term debt borrowings, net of debt issue costs	19	–	31,176
Repayment of long term debt	19	–	(21,990)
Interest paid	19	(10,780)	(6,253)
Payment of leases	22	(1,119)	–
Net cash flow from financing activities		26,028	65,942
Exchange and other movements		1,029	3,108
Net change in cash and cash equivalents		51,569	56,003
Cash and cash equivalents at beginning of the year		67,229	11,226
Restricted cash at end of the year	16	223	2,032
Cash at bank available on demand at end of the year	16	118,575	65,197
Total cash and cash equivalents at end of the year	16	118,798	67,229

* see Note 27

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Note	Share capital US$'000	Share premium US$'000	Warrant reserve US$'000	Treasury shares US$'000	Share based payment reserve US$'000	Merger reserve US$'000	Reverse acquisition reserve US$'000	Equity component of convertible notes US$'000	Other distributable reserves US$'000	Currency translation reserve US$'000	Accumulated deficit US$'000	Total US$'000
Balance at 1 January 2019		25,198	68,233	–	–	6,473	42,627	(73,914)	–	–	(51)	(72,263)	(3,697)
Loss for the year, as restated*		–	–	–	–	–	–	–	–	–	–	(62,998)	(62,998)
Foreign exchange translation reserve, as restated*		–	–	–	–	–	–	–	–	–	755	–	755
Total comprehensive loss, as restated*		–	–	–	–	–	–	–	–	–	755	(62,998)	(62,243)
Transactions with owners													
Share consolidation	17	(21,262)	21,262	–	–	–	–	–	–	–	–	–	–
Issue of shares in equity fund raise	17	533	7,467	–	–	–	–	–	–	–	–	–	8,000
Issue costs associated with equity fund raise	17	–	(1,886)	–	–	–	–	–	–	–	–	–	(1,886)
Acquisition of subsidiary without a change of control	17	(495)	(3,726)	–	–	–	–	–	–	(2,969)	7,190	–	–
Issue of shares and warrants in consideration of Aegerion Acquisition	17	5,759	132,392	14,464	–	–	–	–	–	–	–	–	152,615
Issue of shares and warrants in equity fund raise	17	2,059	47,338	10,603	–	–	–	–	–	–	–	–	60,000
Issue costs associated with equity fund raise	17	–	(2,575)	(530)	–	–	–	–	–	–	–	–	(3,105)
Issue of convertible notes	20	–	–	–	–	–	–	–	29,210	–	–	–	29,210
Issue of contingent value rights	6	–	–	–	–	–	–	–	–	(47,902)	–	–	(47,902)
Transfer to distributable reserves	17	–	(268,505)	–	–	–	–	–	–	268,505	–	–	–
Treasury shares acquired in consideration for additional warrants	17	–	–	7,534	(7,534)	–	–	–	–	–	–	–	–
Issue of shares in exchange for warrants	17	126	2,422	(2,548)	–	–	–	–	–	–	–	–	–
Share based payment expense	5	–	–	–	–	841	–	–	–	–	–	–	841
Share based payment expense – lapsed		–	–	–	–	(4,124)	–	–	–	–	–	4,124	–
Total transactions with owners		(13,280)	(65,811)	29,523	(7,534)	(3,283)	–	–	29,210	217,634	7,190	4,124	197,773
Balance at 31 December 2019, as restated*		11,918	2,422	29,523	(7,534)	3,190	42,627	(73,914)	29,210	217,634	7,894	(131,137)	131,833
Balance at 1 January 2020		11,918	2,422	29,523	(7,534)	3,190	42,627	(73,914)	29,210	217,634	7,894	(131,137)	131,833
Loss for the year		–	–	–	–	–	–	–	–	–	–	(104,527)	(104,527)
Foreign exchange translation reserve		–	–	–	–	–	–	–	–	–	(2,164)	–	(2,164)
Total comprehensive loss		–	–	–	–	–	–	–	–	–	(2,164)	(104,527)	(106,691)
Transactions with owners													
Issue of shares in exchange for warrants	17	630	14,131	(14,761)	–	–	–	–	–	–	–	–	–
Issue of shares in equity fund raise	17	1,303	38,697	–	–	–	–	–	–	–	–	–	40,000
Issue costs associated with equity fund raise	17	–	(3,848)	–	–	–	–	–	–	–	–	–	(3,848)
Issue of treasury shares for share options exercised	17	–	6	–	113	–	–	–	–	–	–	–	119
Share based payment expense	5	–	–	–	–	4,729	–	–	–	–	–	–	4,729
Share based payment expense – lapsed		–	–	–	–	(59)	–	–	–	–	–	59	–
Total transactions with owners		1,933	48,986	(14,761)	113	4,670	–	–	–	–	–	59	41,000
Balance at 31 December 2020		13,851	51,408	14,762	(7,421)	7,860	42,627	(73,914)	29,210	217,634	5,730	(235,605)	66,142

* see Note 27

Company Statement of Comprehensive Loss

For the year ended 31 December 2020

	Note	Year ended 31 December 2020 US$'000	Period ended 31 December 2019 US$'000
Revenue	3	3,046	9,911
Selling, general and administrative expenses		(8,850)	(1,426)
Restructuring and acquisition costs	6	(34)	(7,778)
Share based payment expenses	5	245	(428)
Operating loss before finance expense	7	(5,593)	279
Non-cash contingent value rights finance expense	6	(12,004)	(1,511)
Loss on ordinary activities before taxation		(17,597)	(1,232)
Tax charge on loss on ordinary activities	10	–	–
Loss for the period attributable to the equity holders of the Company		(17,597)	(1,232)
Total other comprehensive income		–	–
Total comprehensive loss for the period attributable to the equity holders of the Company		(17,597)	(1,232)

Company Statement of Financial Position

Year ended 31 December 2020

	Note	As at 31 December 2020 US$'000	As at 31 December 2019 US$'000
Assets			
Non-current assets			
Investment in subsidiaries	26	341,935	280,962
Total non-current assets		341,935	280,962
Current assets			
Other receivables	14	11,135	58,613
Cash and cash equivalents	16	38,364	–
Total current assets		49,499	58,613
Total assets		391,434	339,575
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	17	13,851	11,918
Share premium	17	51,408	2,422
Other reserves	17	265,014	274,992
Accumulated deficit		(18,829)	(1,231)
Total equity		311,444	288,101
Non-current liabilities			
Contingent value rights	6	61,417	49,413
Total non-current liabilities		61,417	49,413
Current liabilities			
Trade and other payables	21	18,573	2,061
Total current liabilities		18,573	2,061
Total liabilities		79,990	51,474
Total equity and liabilities		391,434	339,575

The Financial Statements set out on pages 75 to 136 were approved and authorised for issue by the Directors on 23 June 2021.

They are signed on the Board's behalf by:

Joe Wiley
Director

Company Number:
12107859

Company Statement of Cash Flows

Year ended 31 December 2020

	Note	Year ended 31 December 2020 US$'000	Period ended 31 December 2019 US$'000
Cash flows from operating activities			
Loss on ordinary activities after taxation		(17,597)	(1,232)
Share based payment expenses	5	245	428
Non-cash contingent value rights finance expense	6	12,004	1,511
Movements in working capital and other adjustments:			
Change in other receivables	14	(8,581)	(59,663)
Change in trade and other payables	21	14,856	(2,061)
Net cash flow from (used in) operating activities		437	(56,895)
Cash flow from financing activities			
Proceeds from issue of equity instruments, net of expenses	17	37,927	56,895
Net cash flow from financing activities		37,927	56,895
Net change in cash and cash equivalents		38,364	–
Cash and cash equivalents at beginning of the year		–	–
Restricted cash at end of the year	16	–	–
Cash at bank available on demand at end of the year	16	38,364	–
Total cash and cash equivalents at end of the year	16	38,364	–

Company Statement of Changes in Equity

For the year ended 31 December 2020

	Note	Share capital US$'000	Share premium US$'000	Warrant reserve US$'000	Treasury shares US$'000	Share based payment reserve US$'000	Equity component of convertible notes US$'000	Other distributable reserves US$'000	Accumulated deficit US$'000	Total US$'000
Balance at date of incorporation		–	–	–	–	–	–	–	–	–
Loss for the period		–	–	–	–	–	–	–	(1,232)	(1,232)
Total comprehensive loss		–	–	–	–	–	–	–	(1,232)	(1,232)
Transactions with owners										
Issue of shares in consideration of acquisition of Amryt Pharma Holdings Limited	17	3,974	91,350	–	–	–	–	–	–	95,324
Issue of shares and warrants in consideration of Aegerion Acquisition	17	5,759	132,392	14,464	–	–	–	–	–	152,615
Issue of shares and warrants in equity fund raise	17	2,059	47,338	10,603	–	–	–	–	–	60,000
Issue costs associated with equity fund raise	17	–	(2,575)	(530)	–	–	–	–	–	(3,105)
Issue of convertible notes	20	–	–	–	–	–	29,210	–	–	29,210
Issue of contingent value rights	6	–	–	–	–	–	–	(47,902)	–	(47,902)
Transfer to distributable reserves	17	–	(268,505)	–	–	–	–	268,505	–	–
Treasury shares acquired in consideration for additional warrants	17	–	–	7,534	(7,534)	–	–	–	–	–
Issue of shares in exchange for warrants	17	126	2,422	(2,548)	–	–	–	–	–	–
Share based payment reserve acquired pursuant to scheme of arrangement	5	–	–	–	–	2,763	–	–	–	2,763
Share based payment	5	–	–	–	–	428	–	–	–	841
Share based payment – lapsed		–	–	–	–	(1)	–	–	1	–
Total transactions with owners		11,918	2,422	29,523	(7,534)	3,190	29,210	220,603	1	289,333
Balance at 31 December 2019		11,918	2,422	29,523	(7,534)	3,190	29,210	220,603	(1,231)	288,101
Balance at 1 January 2020		11,918	2,422	29,523	(7,534)	3,190	29,210	220,603	(1,231)	288,101
Loss for the year		–	–	–	–	–	–	–	(17,597)	(17,597)
Total comprehensive loss		–	–	–	–	–	–	–	(17,597)	(17,597)
Transactions with owners										
Issue of shares in exchange for warrants	17	630	14,131	(14,761)	–	–	–	–	–	–
Issue of shares in equity fund raise	17	1,303	38,697	–	–	–	–	–	–	40,000
Issue costs associated with equity fund raise	17	–	(3,848)	–	–	–	–	–	–	(3,848)
Issue of treasury shares for share options exercised	17	–	6	–	113	–	–	–	–	119
Share based payment	5	–	–	–	–	4,729	–	–	–	4,729
Share based payment – lapsed		–	–	–	–	(59)	–	–	(1)	(60)
Total transactions with owners		1,933	48,986	(14,761)	113	4,670	–	–	–	40,940
Balance at 31 December 2020		13,851	51,408	14,762	(7,421)	7,860	29,210	220,603	(18,829)	311,444

Notes to the Financial Statements

For the year ended 31 December 2020

1. General information

Amryt is a global commercial-stage biopharmaceutical company focused on acquiring, developing and commercialising innovative treatments to help improve the lives of patients with rare and orphan diseases. Amryt comprises a strong and growing portfolio of commercial and development assets.

As used herein, references to "we," "us," "Amryt" or the "Group" in these financial statements shall mean Amryt Pharma plc and its global subsidiaries, collectively. References to the "Company" in these financial statements shall mean Amryt Pharma plc.

Amryt Pharma plc (formerly named Amryt Pharma Holdings Limited) was incorporated, under the Companies Act 2006, on 17 July 2019 and is a public company limited by shares with company number 12107859. The Company is listed on National Association of Securities Dealers Automated Quotations ("NASDAQ") (ticker: AMYT) and the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: AMYT).

Aegerion Pharmaceuticals, Inc. ("Aegerion"), a former subsidiary of Novelion Therapeutics Inc., is a rare and orphan disease company with a diversified offering of multiple commercial and development stage assets. The acquisition of Aegerion by Amryt in September 2019 has given Amryt an expanded commercial footprint to market two U.S. and EU approved products, lomitapide (Juxtapid (U.S.) / Lojuxta (EU)) and metreleptin (Myalept (U.S.) / Myalepta (EU)).

Amryt's lead development asset, Filsuvez®/Oleogel-S10, is a potential treatment for Epidermolysis Bullosa ("EB"), a rare and distressing genetic skin disorder for which there is currently no treatment. Oleogel-S10 is currently an investigational product and has not received regulatory approval by the FDA or EMA. Filsuvez® has been selected as the brand name for the product. On 20 September 2019, Amryt registered Filsuvez® as the trademark name for Oleogel-S10 in the European Union. On 18 February 2020, Amryt also registered this trademark name in the United States and is in the process of registering the Oleogel-S10 trademark in other key jurisdictions.

On 8 July 2020, Amryt listed on the NASDAQ Global Select Market under the symbol AMYT. The Company has not issued any new securities in connection with this filing. The Ordinary Shares will continue to trade on the AIM market of the London Stock Exchange.

On 11 August 2020, Amryt announced that the Company gave Euronext Dublin ("Euronext") notice of its intention to cancel the admission of the Company's Ordinary Shares ('Ordinary Shares") to trading on the Euronext Growth Market ("Cancellation"). The last day of trading in Ordinary Shares on the Euronext Growth Market was 8 September 2020. The Cancellation applies only to the Euronext Growth Market and will have no effect on the Company's American Depositary Shares ("ADSs") which trade on the NASDAQ Global Select Market under the symbol AMYT or on Amryt's Ordinary Shares trading on the AIM market of the London Stock Exchange.

The financial statements were authorised for issue by the Company's Board of Directors on 23 June 2021.

2. Accounting policies

Basis of preparation

(i) Compliance with International Financial Reporting Standards ("IFRS")

The consolidated financial statements of the Company and its subsidiaries ("Group") and the individual financial statements of the Company have been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS. The financial statements comply with IFRS as adopted by the European Union and are for the years ended 31 December 2020 and 31 December 2019, these are not the statutory accounts for the Company which have been prepared separately for the period ended 31 July 2020.

Notes to the Financial Statements continued

For the year ended 31 December 2020

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(iii) New and amended standards adopted by the Group and Company

In the current year, a number of amendments to IFRS and Interpretations issued that are effective for annual period beginning on or after 1 January 2020 have been applied. These amendments and interpretations do not have significant impact on the disclosures or the amounts reported in these financial statements.

- Definition of Business (Amendment to IFRS 3 Business Combination)
- Definition of Material (Amendments to IAS 1 and 8)
- Revised Conceptual Framework for Financial Reporting
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- COVID-19-Related Rent Concessions (Amendment to IFRS 16), effective 1 June 2020

(iv) New standards and interpretations not yet adopted

There were a number of standards and interpretations which were in issue but were not effective at 1 January 2020 and have not been adopted for these financial statements.

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16), effective 1 January 20210
- Onerous contracts – cost of fulfilling a contract (Amendments to IAS 37), effective 1 January 2022*
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16), effective 1 January 2022*
- Reference to Conceptual Framework (Amendments to IFRS 3), effective 1 January 2022*
- Annual Improvements to IFRS Standards 2018–2020, effective 1 January 2022*
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1), effective 1 January 2023*
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts, effective 1 January 2023*

* these standards and interpretations are not yet endorsed by the European Union

These amendments are not expected to have significant impact on disclosures or amounts reported in the financial statements in the period of initial application.

Basis of going concern

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

As part of their inquiries, the Board of Directors reviewed budgets, projected cash flows, and other relevant information for a period not less than 12 months from the date of approval of the financial statements for the year ended 31 December 2020.

A key consideration for the Directors in assessing the going concern assumption is the continuing impact of the acquisition of Aegerion, which was completed in September 2019. This acquisition represents a significant step forward for Amryt and has created value for Amryt with immediate effect post-deal close through enhanced scale of the combined Group and Company. The integration of Aegerion into the Amryt Group has been successful as demonstrated by growth in revenues and cost reductions. This success demonstrates the potential to continue to drive revenues and deliver operational synergies through a combination of medical, commercial, clinical, development and regulatory infrastructure. Additionally, Amryt completed a private placement of 3,200,000 American Depositary Shares ("ADSs") yielding gross proceeds of US$40,000,000. In the prior year Amryt also completed a US$60,000,000 fundraising as part of the acquisition of Aegerion.

Basis of consolidation

The financial statements comprise the financial statements of the Group for the years ended 31 December 2020 and 2019. Subsidiaries are entities controlled by the Company. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intergroup balances and any unrealised gains or losses, income or expenses arising from intergroup transactions are eliminated in preparing the consolidated financial statements.

Presentation of balances

The financial statements are presented in U.S. dollars ("US$"), rounded to the nearest thousand, which is the functional currency of the Company and presentation currency of the Group. Any differences which arose due to the change in reporting currency have been posted to the currency translation reserve.

The following table discloses the major exchange rates of those currencies other than the functional currency of US$ that are utilised by the Group:

Foreign currency units to 1 US$	€	£	CHF	SEK	NOK	DKK
Average period to 31 December 2020	0.8777	0.7799	0.9391	9.2135	9.4206	6.5432
At 31 December 2020	0.8141	0.7365	0.8829	8.1885	8.5671	6.0570

Foreign currency units to 1 US$	€	£	CHF	SEK	NOK	DKK
Average period to 31 December 2019	0.8932	0.7836	0.9938	9.4533	8.7976	6.6690
At 31 December 2019	0.8929	0.7624	0.971	9.3282	8.8046	6.6698

(€ = Euro; £ = Pounds Sterling, CHF = Swiss Franc, SEK = Swedish Kroner, NOK = Norwegian Kroner, DKK = Danish Kroner)

Critical accounting judgements and key sources of estimation uncertainty

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

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

Notes to the Financial Statements continued

For the year ended 31 December 2020

The critical accounting policies which involve significant estimates, assumptions or judgements, the actual outcome of which could have a material impact on the Group and Company's results and financial position outlined below, are as follows:

Valuation of convertible notes

In conjunction with the accounting for financial instruments, the Group recorded compound financial instruments related to the convertible notes that were issued on 24 September 2019. In determining the classification of the convertible notes, the Group assessed the fixed-for-fixed criteria and considered that this was met and the number of shares that can be converted by holders of the notes is fixed. The compound financial instrument consists of a liability component and an equity component. The liability component is valued using an estimated discounted cash flow calculation based on the future contractual cash flows in the contract which are discounted at a rate of interest an identical financial instrument without a conversion feature would be subject to. Factors that are considered in estimating the prevailing market rate of interest include or are not limited to:

- loan term and maturity;
- repayment profile during the loan term other than interest;
- level of loan security; and
- principal amount of the loan.

Refer to Note 20, *Convertible notes*, for further details.

Valuation of acquired assets

In conjunction with the accounting for business combinations, the Group recorded intangible assets such as in connection with the Aegerion acquisition, primarily related to developed technology on the commercially marketed products, and inventories which include raw materials and finished goods. The identifiable intangible assets and inventories are measured at their respective fair values as of the acquisition date. When significant identifiable intangible assets and inventories are acquired, the Group determines the fair values of these assets as of the acquisition date. The models used in valuing these intangible assets and inventories require the use of significant estimates and assumptions including but not limited to:

Intangible assets

- estimates of revenues and operating profits related to the products or product candidates;
- the probability of success for unapproved product candidates considering their stages of development;
- the time and resources needed to complete the development and approval of product candidates;
- projecting regulatory approvals;
- developing appropriate discount rates and probability rates by project; and
- tax implications, including the forecasted effective tax rate.

Inventories

- estimates of saleable inventory and non-saleable inventory, which was determined by a sales forecast and production timeline; and
- expected selling price and estimated costs of disposal.

During 2020, the Group finalised the fair values used to record intangible assets and inventories acquired in connection with a business combination in 2019. Refer to Note 15, *Inventories*, for further details.

Valuation of contingent value rights ("CVRs")

The Company issued CVRs for payments to its shareholders based on the occurrence of two milestones related to Oleogel-S10, its pipeline product. The CVRs have pre-determined payouts, based on the occurrence of a future event. If the event does not occur, the CVR expires as worthless. The fair value of the CVRs is estimated based on the following key assumptions:

- expected timing of achievement of the two milestones (U.S. Food and Drug Administration ("FDA") approval and European Medicines Agency approval) related to Oleogel-S10;
- probabilities of successful launch of Oleogel-S10;
- revenue forecast related to Oleogel-S10; and
- the appropriate discount rate selected to measure the risks inherent in the future cash flows.

The Company believes the fair value of the CVRs is based upon reasonable estimates and assumptions given the facts and circumstances as of the valuation date. A detailed discussion of the methodology applied and key input assumptions used by the Company is provided in Note 6, *Business combinations and asset acquisitions*, to the financial statements.

Impairment of intangible assets and goodwill

The impairment assessment for intangible assets requires management to make significant judgements and estimates to determine the fair value of the assets. Management periodically evaluates and updates the estimates based on the conditions which influence these variables. A detailed discussion of the impairment methodology applied and key assumptions used by the Group in the context of long-lived assets is provided in Note 12, *Intangible assets and goodwill*, to the financial statements. The assumptions and conditions for determining impairment of intangible assets reflect management's best assumptions and estimates, but these items involve inherent uncertainties described above, many of which are not under management's control. As a result, the accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in future accounting periods.

Goodwill represents the difference between the purchase price and the fair value of the identifiable tangible and intangible net assets acquired in a business combination. Goodwill is not amortised, but instead is reviewed for impairment on an annual basis or when an event becomes known that could trigger an impairment. To perform the annual impairment test of goodwill, the Group has identified the Group as a whole as a single cash generating unit ("CGU"). CGUs reflect the lowest level at which goodwill is monitored for internal management purposes. At least once a year, the Group compares the recoverable amount of the Group's CGU to the CGU's carrying amount. The recoverable amount (value in use) of a CGU is determined using a discounted cash flow approach based upon the cash flow expected to be generated by the CGU. In case that the value in use of the CGU is less than its carrying amount, the difference is at first recorded as an impairment of the carrying amount of the goodwill. The assumptions utilised in the impairment test are dependent on management's estimates, in particular in relation to the forecasting of future cash flows, the discount rates applied to those cash flows, the expected long-term growth rate of the applicable businesses and terminal values. As a result, the accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in future accounting periods.

Valuation of contingent consideration

Contingent consideration arising as a result of business combinations is initially recognised at fair value using a probability adjusted present value model. The fair value of the contingent consideration is updated at each reporting date. The key judgements and estimates applied by management in the determination of the fair value of the contingent consideration relate to the determination of an appropriate discount rate, the assessment of market size and opportunity and probability assessments based on market data for the chance of success of the commercialisation of an orphan drug. A detailed discussion of the methodology applied and key input assumptions used by the Group is provided in Note 6, *Business combinations and asset acquisitions*, to the financial statements. The fair value of the contingent consideration uses management's best estimates and

Notes to the Financial Statements continued

For the year ended 31 December 2020

judgements and sensitivities have been assessed by management by considering movements in the discount rate applied and movements in revenue forecasts. The chance of success of product development is based on published market data. See Note 24, *Fair value measurement and financial risk management*, for quantification of these sensitivities.

Research and development ("R&D") expenses

Development costs are capitalised as an intangible asset if all of the following criteria are met:

- completing the asset is technically feasible so that the asset will be available for use or sale;
- there is an intention to complete the asset and use or sell it;
- there is an ability to use or sell the asset;
- the asset will generate probable future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally;
- adequate technical, financial and other resources are available to complete the development of the asset and to use or sell it; and
- there is an ability to measure reliably the expenditure attributable to the intangible asset.

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

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

The assessment whether development costs can be capitalised requires management to make significant judgements. Management has reviewed the facts and circumstances of each project in relation to the above criteria and in management's opinion, the criteria prescribed for capitalising development costs as assets have not yet been met by the Group in relation to Oleogel-S10 or AP103. Refer to Note 12, *Intangible assets and goodwill*, for further discussion on the impairment of AP102. Accordingly, all of the Group's costs related to research and development projects are recognised as expenses in the Consolidated Statement of Comprehensive Loss in the period in which they are incurred. Management expects that the above criteria will be met on filing of a submission to the regulatory authority for final drug approval or potentially in advance of that on the receipt of information that strongly indicates that the development will be successful.

Business combination

On 24 September 2019, the Group acquired Aegerion. In accounting for this transaction, the Board of Directors considered the date of when control of Aegerion passed to the Group, the fair value of the consideration settled and the fair value of the assets and liabilities acquired. See Note 6, *Business combinations and asset acquisitions*, for further information on the determination of the fair value of the assets acquired.

Recognition of deferred tax assets

Deferred tax assets are determined using enacted tax rates for the effects of net operating losses and temporary differences between the book and tax bases of assets and liabilities. In assessing the realisability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. While management considers the scheduled reversal of deferred tax liabilities, and projected future taxable income in making this assessment, there can be no assurance that these deferred tax assets may be

realisable. As at 31 December 2020, the Group did not recognise a deferred tax asset in respect of unused tax losses as described in Note 10, *Tax credit on loss on ordinary activities*.

Impairment of investments in subsidiaries

At each reporting date, the Company reviews the carrying amounts of its investment in subsidiaries. If any such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed. The assessment involves a number of estimates and assumptions such as discount rates and risks affecting the pharmaceutical industry and other risks specific to the Company and subsidiaries. Refer to Note 26, *Investments in subsidiaries*, for further details.

Principal accounting policies

Principal accounting policies are summarised below. They have been consistently applied throughout the period covered by the financial statements.

Revenue recognition

Revenue arises from the sale of metreleptin, lomitapide and Imlan. The Group sells directly to customers and also uses third parties in the distribution of products to customers.

To determine whether to recognise revenue, the Group follows a five-step process, as required by IFRS 15:

- identifying the contract with a customer;
- identifying the performance obligations;
- determining the transaction price;
- allocating the transaction price to the performance obligations; and
- recognising revenue when/as performance obligation(s) are satisfied.

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

Revenue from sale of goods - Group

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

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

Revenue from provision of services - Company

The Company provides management services to group subsidiaries, revenue is recognised at a point in time when the Company satisfies performance obligations by providing services to group subsidiaries.

Notes to the Financial Statements continued

For the year ended 31 December 2020

Principal versus agent considerations

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

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

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

Financial instruments

Recognition and derecognition

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

Classification and initial measurement of financial assets

Trade receivables are measured at the transaction price in accordance with IFRS 15. All financial assets are initially measured at fair value adjusted for transaction costs, if any.

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

- amortised cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVOCI").

The Group and Company did not have any financial assets categorised as FVTPL or FVOCI as at 31 December 2020 and 2019. The classification is determined by both:

- the Group and Company's business model for managing the financial asset; and
- the contractual cash flow characteristic of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortised cost

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

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Cash and cash equivalents

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

Restricted cash

Restricted cash comprises current cash and cash equivalents that are restricted as to withdrawal or usage. Cash held by the Group's distribution partner for Lojuxta on behalf of the Group is treated as restricted cash in the financial statements. The Group also has restricted cash in relation to a deposit on a company credit card facility.

Trade and other receivables

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

Impairment of financial assets

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

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

Financial liabilities

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

Trade and other payables

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Notes to the Financial Statements continued

For the year ended 31 December 2020

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Interest bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Loans and borrowings are subsequently carried at amortised cost using the effective interest method. Interest is charged to the Consolidated Statement of Comprehensive Loss.

Convertible notes

Convertible notes are first assessed to determine classification as a financial liability or equity instrument for the financial instrument as a whole and components thereof. The initial carrying amount of a compound financial instrument is allocated to its equity and liability components.

The two components are evaluated first by measuring the fair value of the liability component. The fair value of the liability component is assessed using a discounted cash flow calculation based on the future contractual cash flows in the contract which are discounted at an estimated market prevailing rate of interest an identical financial instrument without a conversion feature would be subject to. The equity component is measured by determining the residual of the fair value of the instrument less the estimated fair value of the liability component.

The liability component is carried at amortised cost. Interest is calculated by applying the estimated prevailing market interest rate at the time of issue. The equity component is recognised in equity and is not subsequently remeasured.

Contingent consideration

Contingent consideration arising as a result of business combinations is initially recognised at fair value using a probability adjusted present value model. Key inputs in the model include the probability of a successful launch of Oleogel-S10 and the expected timing of potential revenues. The fair value of the contingent consideration will be updated at each reporting date. Adjustments to contingent consideration are recognised in the Consolidated Statement of Comprehensive Loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated and Company Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Inventories

Inventories are valued at the lower of cost or net realisable value. Amryt uses standard cost to value its inventory which is made up of raw materials, work in progress ('WIP') and finished goods. It accounts for the inventory using the first-in, first-out ("FIFO") method. Standard costs take into account normal levels of materials and supplies, labour, efficiency and capacity utilisation with our vendors. Work in progress valuation is based on the stage of quality checks successfully performed during the production process. An inventory valuation adjustment is made if the net realisable value is lower than the book value. Net realisable value is determined as estimated selling prices less all costs of completion and costs incurred in selling and distribution.

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

Leases

A lease is defined as a contract that conveys the right to use an underlying asset for a period of time in exchange for consideration. A contract is or contains a lease if:

- the underlying asset is identified in the contract; and
- the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Under IFRS 16, the Group is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments for almost all leases.

Lease liabilities

Lease liabilities are initially recognised at the present value of the following payments, when applicable:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments (linked to an index or interest rate);
- expected payments under residual value guarantees;
- the exercise price of purchase options, where exercise is reasonably certain;
- lease payments in optional renewal periods, where exercise of extension options is reasonably certain; and
- penalty payments for the termination of a lease, if the lease term reflects the exercise of the respective termination option.

Lease payments are discounted using the implicit interest rate underlying the lease if this rate can be readily determined. Otherwise, the incremental borrowing rate is used as the discount rate.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. Furthermore, lease liabilities may be remeasured due to lease modifications or reassessments of the lease. A lease modification is any change in lease terms that was not part of the initial terms and conditions of the lease, including increases of the scope of the lease by adding the right to use one or more underlying assets or extending the contractual lease term, decreases of the scope of the lease by removing the right to use one or more underlying assets or shortening the contractual lease term or changes in the consideration. Reassessments are changes in estimates or changes triggered by a clause that was part of the initial lease contract, including changes in future lease payments arising from a change in an index or rate, change in the Group's estimate of the amount expected to be payable under residual value guarantees or change in the Group's assessment of whether it will exercise purchase, extension or termination options.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the respective lease. Right-of-use assets are stated at cost less accumulated depreciation. Upon initial recognition, cost comprises:

- the initial lease liability amount;
- initial direct costs incurred when entering into the lease;
- (lease) payments before commencement date of the respective lease;
- an estimate of costs to dismantle and remove the underlying asset; and
- less any lease incentives received.

Notes to the Financial Statements continued

For the year ended 31 December 2020

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. In addition, right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements.

Foreign currency translation

Presentation currency

The Group translates foreign currency transactions into its presentational currency, US$, as described in "Presentation of balances" above.

Functional currency

The Company's functional currency is US$.

Transactions in currencies other than the functional currency of the Group entities are recorded at the exchange rates prevailing at the dates of the related transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, as well as from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Consolidated Statement of Comprehensive Loss. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated to the respective functional currencies of the Group's entities at the rates prevailing on the relevant balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions.

The financial statements of the Group's foreign subsidiaries, where the local currency is the functional currency, are translated using exchange rates in effect at the end of the year for assets and liabilities and average exchange rates during the year for results of operations. The resulting foreign currency translation adjustment is recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment is comprised of property and office equipment. Items of property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses. It is not Group policy to revalue any items of property, plant and equipment.

Depreciation is charged to the Consolidated Statement of Comprehensive Loss on a straight-line basis to write-off the cost of the assets over their expected useful lives as follows:

- Property, plant and machinery 5 to 15 years
- Office equipment 3 to 10 years

Government grants

Grants are recognised when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. Grants that compensate the Group for expenses incurred such as research and development, employment and training are offset against the related expenditure in the Consolidated Statement of Comprehensive Loss on a systematic basis as the Group recognises as expenses the costs that the grants are intended to compensate. Grants that compensate the Group for the cost of an asset are deducted from the cost of the asset.

Business combinations

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

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

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

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

Intangible assets

Acquired intangible assets

Intangible assets primarily relate to developed technology on the Group's commercially marketed products and IPR&D. Intangible assets are recorded at fair value at the time of their acquisition and are stated in the Consolidated Statement of Financial Position, net of accumulated amortisation and impairments, if applicable.

In connection with the acquisition of Aegerion, the Group acquired developed technology on metreleptin and lomitapide, which are amortised over the remaining patent lives through February 2026 and August 2027, respectively.

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

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

The useful life of other acquired intangible assets is as follows:

- Software and hardware 3 to 10 years
- Website development 5 to 10 years

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

Goodwill

Goodwill represents the difference between the purchase price and the fair value of the identifiable tangible and intangible net assets acquired in a business combination. Goodwill is not amortised, but instead is reviewed for impairment on an annual basis or when an event becomes known that could trigger an impairment.

Notes to the Financial Statements continued

For the year ended 31 December 2020

Investments in subsidiaries

Investments in subsidiaries are stated at cost less impairment.

Impairment of non-financial assets

At each reporting date, the Group and Company reviews the carrying amounts of its non-financial 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. Any impairment loss arising from the review is charged to the Consolidated and Company Statement of Comprehensive Loss.

The Group and Company 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 carrying value and value in use. These assessments require the use of estimates and assumptions such as discount rates, future capital requirements, general risks affecting the pharmaceutical industry and other risks specific to the individual asset. 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 is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, 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. Assets are grouped into the smallest group that generates cash inflows which are independent of other assets.

Taxes

Tax comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and taking into account any adjustments stemming from prior years. Deferred tax assets or liabilities are recognised where the carrying value of an asset or liability in the Consolidated 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.

In connection with business combinations, deferred tax balances are recognised if related to temporary differences and loss carry-forwards at the acquisition date or if they arise as a result of the acquisition and are measured in accordance with IAS 12 *Income Taxes*.

Share-based payments

The Company issues equity-settled awards as an incentive to certain senior management, employees and consultants. These equity-settled awards include employee share options and restricted share units ("RSUs").

In the consolidated financial statements, the fair value of equity-settled awards granted is recognised as an expense with a corresponding credit to the share-based payment reserve. In the Company financial statements, the fair value of the equity-settled awards granted by the Company is recognised as an expense, for those that relate to awards granted to employees of the Company, and as an investment in subsidiary, for those awards granted that relate to employees of the Company's subsidiaries. The fair value is measured at grant date and spread over the period during which the awards vest.

For equity-settled share-based payment transactions, the goods or services received and the corresponding increase in equity are measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If it is not possible to estimate reliably the fair value of the goods or services received, the fair value of the equity instruments granted as calculated using the Black-Scholes model is used as a proxy. Share-based compensation for RSUs awarded to employees and directors is calculated based on the market value of the Company's shares on the date of award of the RSUs and the value of awards expected to vest is recognised as an expense over the requisite service periods. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

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

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

Employee Benefits

Defined contribution plans

The Group operates defined contribution schemes in various locations where employees are based. Contributions to the defined contribution schemes are recognised in the Consolidated Statement of Comprehensive Loss in the period in which the related services are received from the employee. Under these schemes, the Group has no obligation, either legal or constructive, to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

Loss per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Financial Statements continued

For the year ended 31 December 2020

3. Segment information

The Group is a global, commercial-stage biopharmaceutical company dedicated to commercialising and developing novel therapeutics to treat patients suffering from serious and life-threatening rare diseases.

The Group currently operates as one business segment, pharmaceuticals, and is focused on the development and commercialisation of two commercial products and two development products. The Group derives its revenues primarily from one source, being the pharmaceutical sector with high unmet medical need.

The Group's Chief Executive Officer, Joseph Wiley, is currently the Company's chief operating decision maker ("CODM"). The Group does not operate any separate lines of business or separate business entities with respect to its products. Accordingly, the Group does not accumulate discrete financial information with respect to separate service lines and does not have separate reportable segments.

The following table summarises total revenues from external customers by product and by geographic region, based on the location of the customer. Revenues represent the revenue from the Group for the full year (the prior year revenues include revenue from Aegerion, with acquired products and additional regions, from 24 September 2019 onward).

	31 December 2020			
	U.S.	**EMEA**	**Other**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Metreleptin	60,568	32,494	13,810	106,872
Lomitapide	37,317	26,144	11,289	74,750
Other	–	763	222	985
Total revenue	**97,885**	**59,401**	**25,321**	**182,607**

	31 December 2019			
	U.S.	EMEA	Other	Total
	US$'000	US$'000	US$'000	US$'000
Metreleptin	14,944	8,048	2,096	25,088
Lomitapide	10,616	18,985	2,659	32,260
Other	–	671	105	776
Total revenue	25,560	27,704	4,860	58,124

Major Customers

For the year ended 31 December 2020, one customer accounted for 54% of the Group's net revenues (2019: 44%) and accounted for 42% of the Group's 31 December 2020 trade receivable balance (2019: 44%).

Company

The Company provides management services to group companies which are charged on an arms' length basis based on costs incurred by the Company with a mark-up applied of 5%.

	31 December 2020	31 December 2019
	US$'000	US$'000
Revenue	**3,046**	9,911
Total revenue	**3,046**	9,911

The Company's revenue disaggregated by geographical regions is as follows:

	31 December 2020 US$'000	31 December 2019 US$'000
U.S.	**1,371**	6,660
EMEA	**1,675**	3,251
Total revenue	**3,046**	9,911

4. Cost of sales

	31 December 2020 US$'000	31 December 2019 restated* US$'000
Cost of product sales	**25,854**	11,384
Amortisation of acquired intangibles (see Note 12)	**42,966**	11,457
Amortisation of inventory fair value step-up (see Note 15)	**27,617**	7,473
Royalty expenses	**22,592**	8,419
Total cost of sales	**119,029**	38,733

* see note 27

As a result of the acquisition of Aegerion in September 2019, the Group acquired certain inventory, which were measured at fair value on the acquisition date. Refer to Note 2, *Accounting policies*, for further discussion on the key assumptions utilised to estimate the fair value. The difference between the estimated fair value and the book value of the acquired inventory was amortised, using the straight-line method, over the estimated period that the Group intends to sell this inventory.

5. Share based payments

On 10 July 2019, the shareholders of the Company approved a resolution to give authority to the Company to undertake a consolidation of the existing ordinary shares in the capital of the Company under which every six existing ordinary shares were consolidated into one ordinary share.

In the table below, for presentational purposes, the number of share options and warrants outstanding at 1 January 2019 and the share options and warrants granted and lapsing during the years ended 31 December 2019 have been restated to reflect the 2019 6-for-1 share consolidation.

Under the terms of the Company's Employee Share Option Plan, options to purchase 18,753,648 shares were outstanding at 31 December 2020. Under the terms of this plan, options are granted to officers, consultants and employees of the Group at the discretion of the Remuneration Committee. A total of 4,432,000 share options were granted to non-executive directors and employees in the year ended 31 December 2020. For the year ended 31 December 2019, a total of 11,330,641 share options were granted to directors and employees.

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

Vesting conditions

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

Notes to the Financial Statements continued

For the year ended 31 December 2020

Contractual life

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

Outstanding warrants at 31 December 2020 consisted of 8,966,520 zero cost warrants (31 December 2019: 17,196,273) with no expiration date that were issued to Aegerion creditors in connection with the acquisition of Aegerion. The remaining warrants consisting of 345,542 warrants (31 December 2019: 345,542) were issued in connection with the admission to the AIM in 2016 ("the 2016 Warrants").

The number and weighted average exercise price (in Sterling pence) of share options and warrants per ordinary share is as follows:

	Share Options		Warrants	
	Units	Weighted average exercise price (Sterling pence)	Units	Weighted average exercise price (Sterling pence)
Balance at 1 January 2019 (pre share consolidation)	19,505,130	19.20p	22,909,950	24.00p
Balance at 1 January 2019 (restated for 6:1 share consolidation)	3,250,855	115.20p	3,818,325	144.00p
Granted	11,330,641	117.01p	18,841,378	–
Lapsed	(99,776)	197.66p	(3,472,783)	144.00p
Exercised	–	–	(1,645,105)	–
Outstanding at 31 December 2019	**14,481,720**	**116.00p**	**17,541,815**	**0.03p**
Exercisable at 31 December 2019	**2,468,310**	**109.08p**	**17,541,815**	**0.03p**
Balance at 1 January 2020	14,481,720	116.00p	17,541,815	0.03p
Granted	4,432,000	144.76p	–	–
Lapsed	(87,119)	113.42p	–	–
Exercised	(72,953)	120.72p	(8,229,753)	–
Outstanding at 31 December 2020	**18,753,648**	**122.79p**	**9,312,062**	**0.05p**
Exercisable at 31 December 2020	**5,866,152**	**114.24p**	**9,312,062**	**0.05p**

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 year:

	31 December 2020 Options Inputs	31 December 2020 Warrant Inputs	31 December 2019 Options Inputs	31 December 2019 Warrant Inputs
Days to Expiration	**2,555**	**–**	2,555	–
Volatility	**33% – 37%**	**–**	27% – 48%	–
Risk free interest rate	**0.39% – 0.46%**	**–**	0.38% – 0.83%	–
Share price at grant	**123.5p – 178.9p**	**–**	75.84p – 121.5p	–

In the year ended 31 December 2020, a total of 4,432,000 share options exercisable at a weighted average price of £1.4476 were granted. The fair value of share options granted in the year ended 31 December 2020 was £6,416,000/US$8,230,000. In 2019, a total of 11,330,641 share options exercisable at a weighted average price of £1.17 were granted. The fair value of share options granted in 2019 were £13,258,000/US$16,919,000.

The share options outstanding as at December 2020 have a weighted remaining contractual life of 5.45 years with exercise prices ranging from £0.76 to £1.79. The share options outstanding as at 31 December 2019 had a weighted remaining contractual life of 6.19 years with exercise prices ranging from £0.76 to £1.50.

The 2016 Warrants outstanding as at 31 December 2020 have a weighted remaining contractual life of 0.3 years with an exercise price of £1.44. The 2016 Warrants outstanding as at 31 December 2019 had a weighted remaining contractual life of 1.3 years with an exercise price of £1.44.

Restricted Share Units

Under the terms of the Company's Employee Share Option Plan, restricted share units ("RSUs") to purchase 1,556,960 shares were outstanding at 31 December 2020. Under the terms of this plan, RSUs are granted to officers, consultants and employees of the Group at the discretion of the Remuneration Committee. For the year ended 31 December 2020, a total of 1,556,960 RSUs were granted to employees of the company. For the years ended 31 December 2019, no RSUs were granted to employees. The fair value of the RSUs is based on the share price at the date of grant, with the expense spread over the vesting period. The fair value of RSUs granted in the year ended 31 December 2020 was US$2,609,000 and have a weighted remaining contractual life of 2.59 years. The following table summarises the RSU activity for the year:

	RSUs	
	Unit	Weighted average fair value (US$)
Balance at 1 January 2020	–	–
Granted	1,556,960	$2.34
Lapsed	(7,050)	$2.32
Exercised	–	–
Outstanding at 31 December 2020	**1,549,910**	**$2.34**

The Company grants rights to its shares under the share-based payment arrangements with directors of the Company and employees of the Group. For the share options of the directors of the Company the share-based payment is recognised in equity with a corresponding expense recognised in the Company Statement of Comprehensive loss. For the share options and RSUs of employees that are not employed by the Company, the Company recognises the share-based payment in equity with a corresponding increase in the investment in subsidiary in the Company Statement of Financial Position. The Company Statement of Comprehensive Loss for the year ended 31 December 2020 includes a re-allocation to the subsidiaries of the Group of the 2019 expense.

Notes to the Financial Statements continued

For the year ended 31 December 2020

The value of share options and RSU's charged to the Consolidated and Company Statement of Comprehensive Loss during the year is detailed below.

	Group 31 December		Company 31 December	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Share option expense	**4,134**	841	**(245)**	428
RSU expense	**595**	–	**–**	–
Total share option expense	**4,729**	841	**(245)**	428

6. Business combinations and asset acquisitions

Acquisition of Aegerion Pharmaceuticals

On 20 May 2019, Amryt entered into a Restructuring Support Agreement (as subsequently amended on 12 June 2019) and Plan Funding Agreement pursuant to which, among other matters, Amryt agreed to the acquisition of Aegerion Pharmaceuticals, Inc. ("Aegerion"), a former wholly-owned subsidiary of Novelion Therapeutics Inc. ("Novelion"). On 20 May 2019, Aegerion and its U.S. subsidiary, Aegerion Pharmaceuticals Holdings, Inc., filed voluntary petitions under Chapter 11 of Title 11 of the U.S. Code in the Bankruptcy Court. On 24 September 2019, Amryt completed the acquisition of Aegerion. Amryt acquired Aegerion upon its emergence from bankruptcy in an exchange for ordinary shares and zero cost warrants in Amryt. Amryt issued 85,092,423 effective shares at US$1.793 per share, which is made up of 77,027,423 ordinary shares and 8,065,000 zero cost warrants, to acquire Aegerion for a value of US$152,615,000.

The Company believes that the acquisition of Aegerion will enable the Group to advance the Group's ambition to create a global leader in rare and orphan diseases with a diversified offering of multiple development-stage and commercial assets and provides it with scale to support further growth.

As part of the acquisition of Aegerion, it was agreed, for certain Aegerion creditors who wished to restrict their percentage share interest in Amryt's issued share capital, to issue to the relevant Aegerion creditor, as an alternative to Amryt's ordinary shares, an equivalent number of new zero cost warrants to subscribe for Amryt's ordinary shares to be constituted on the terms of the zero cost warrant. Refer to Note 23, *Related party transactions*, for further discussion.

Relevant Aegerion creditors are entitled at any time to exercise the zero cost warrants, at which point in time, the Company would issue to that Aegerion creditor the relevant number of fully paid ordinary shares in return for the exercise of the zero cost warrants. Each zero cost warrant entitles the holder thereof to subscribe for one ordinary share. The zero cost warrants constitute the Company's direct and unsecured obligations and rank *pari passu* and without any preference among themselves (save for any obligations to be preferred by law) at least equally with the Company's other present and future unsecured and unsubordinated obligations. The zero cost warrants are not transferable except with the Company's prior written consent.

On 14 November 2019, the Company repurchased a combined 4,864,656 ordinary shares from Highbridge Tactical Master Fund L.P., Highbridge SCF Special Situations SPV, L.P. and Nineteen77 Global Multi Strategy Alpha Master Limited. In exchange for the ordinary shares, these institutions were issued an equivalent number of zero cost warrants.

During the year, the Group incurred acquisition and restructuring related costs of US$1,017,000 (2019: US$13,038,000) relating to external legal fees, advisory fees, due diligence costs and severance costs. These costs have been included in operating costs in the Consolidated Statement of Comprehensive loss.

IFRS 3 *Business combinations* requires the assignment of fair values to identifiable assets and liabilities acquired to be completed within 12 months of the acquisition date. The initial assignment of fair values was performed on a provisional basis and included in the consolidated financial statement for the year ended 31 December 2019 and subsequent consolidated interim financial statements due to the relative size of the acquisition and the timing of the transaction. The Group finalised the fair values of the assets and liabilities of Aegerion in 2020. The adjustments made in finalising fair values primarily relate to the measurement of

intangible assets separately from goodwill, valuation of inventory and associated deferred tax liabilities. The acquired goodwill is attributable principally to the profit generating potential of the businesses, the assembled workforce and benefits arising from embedded infrastructure that are expected to be achieved from integrating the acquired businesses into the Group's existing business. No amount of goodwill is expected to be deductible for tax purposes.

	As at 24 September 2019		
	As previously reported in 31 December 2019 financial statements US$'000	Adjustments* US$'000	Fair value, as restated US$'000
Assets			
Non-current assets			
Property, plant and equipment	276	–	276
Right of use assets	924	–	924
Intangible Assets	308,374	(9,000)	299,374
Other assets	2,334	(433)	1,901
Total non-current assets	**311,908**	**(9,433)**	**302,475**
Current assets			
Cash and cash equivalents	24,985	–	24,985
Trade and other receivables	23,259	–	23,259
Inventory	45,959	11,482	57,441
Prepaid expenses and other assets	2,469	(881)	1,588
Total current assets	**96,672**	**10,601**	**107,273**
Total assets	**408,580**	**1,168**	**409,748**
Current liabilities			
Accounts payable	5,137	(1,186)	3,951
Accrued liabilities	64,088	2,922	67,010
Lease liabilities – current	384	–	384
Provision for legal settlements – current	14,916	257	15,173
Total current liabilities	**84,525**	**1,993**	**86,518**
Non-current liabilities			
Lease liabilities - long term	538	–	538
Long term debt	54,469	–	54,469
Convertible notes debt and equity components - long term	125,000	–	125,000
Provision for legal settlements - long term	7,821	–	7,821
Deferred tax liability	14,425	(12,507)	1,918
Total non-current liabilities	**202,253**	**(12,507)**	**189,746**
Total liabilities	**286,778**	**(10,514)**	**276,264**
Total identifiable net assets at fair value	**121,802**	**11,682**	**133,484**
Goodwill arising on acquisition	30,813	(11,682)	19,131
Consideration	**152,615**	**–**	**152,615**
Consideration			
Issue of fully paid up ordinary shares and zero cost warrants	152,615	–	152,615
Total consideration	**152,615**	**–**	**152,615**

* Adjustments relate to finalisation of fair values following completion of the fair value assignment to identifiable assets and liabilities acquired. See Note 27, *Restatement of prior year comparatives*, for more details on the adjustments.

Notes to the Financial Statements continued

For the year ended 31 December 2020

Contingent Value Rights

Related to the transaction, Amryt issued Contingent Value Rights ("CVRs") pursuant to which up to US$85,000,000 may become payable to Amryt's shareholders and optionholders, who were on the register prior to the completion of the acquisition on 20 September 2019, if certain approval and revenue milestones are met in relation Oleogel-S10, Amryt's lead product candidate. If any such milestone is achieved, Amryt may elect to pay the holders of CVRs by the issue of Amryt shares or loan notes. If Amryt elects to issue Loan Notes to holders of CVRs, it will settle such loan notes in cash 120 days after their issue. If none of the milestones are achieved, scheme shareholders and optionholders will not receive any additional consideration under the terms of the CVRs. In these circumstances, the value of each CVR would be zero.

The terms of the CVRs are as follows:

- The total CVR payable is up to US$85,000,000
- This is divided into three milestones which are related to the success of Oleogel-S10 (the Group's lead development asset)
- FDA approval
    - o US$35,000,000 upon FDA approval
    - o 100% of the amount due if approval is obtained before 31 December 2021, with a sliding scale on a linear basis to zero if before 1 July 2022
- EMA approval
    - o US$15,000,000 upon EMA approval
    - o 100% of the amount due if approval is obtained before 31 December 2021, with a sliding scale on a linear basis to zero if before 1 July 2022
- Revenue targets
    - o US$35,000,000 upon Oleogel-S10 revenues exceeding US$75,000,000 in any 12-month period prior to 30 June 2024
- Payment can at the Board's discretion be in the form of either:
    - o 120-day loan notes (effectively cash), or
    - o Shares valued using the 30 day / 45-day VWAP.

The CVRs were contingent on the successful completion of the acquisition and, accordingly, have been based on fair value as at 24 September 2019. The CVRs have been classified as a financial liability in the Consolidated Statement of Financial Position. Given that CVRs were issued to legacy Amryt shareholders in their capacity as owners of the identified acquirer as opposed to the seller in the transaction, management concluded that the most appropriate classification would be to recognise the CVR as a distribution on consolidation instead of goodwill. In the Company-only accounts, the CVRs have been classified as a financial liability and debited to cost of investment in subsidiary.

Measurement of CVRs

As at 31 December 2020, the carrying value of the CVRs was US$61,417,000 (2019: US$49,413,000). The value of the potential payout was calculated using the probability-weighted expected returns method. Using this method, the potential payment amounts were multiplied by the probability of achievement and discounted to present value. The probability adjusted present values took into account published orphan drug research data and statistics which were adjusted by management to reflect the specific circumstances applicable to the type of product acquired in the Amryt GmbH transaction. The market-based probability

chance of success is based on market benchmarks for orphan drugs, was increased to 89% in 2020 (2019: 72%) following the positive results from our Phase 3 EASE trial of Oleogel-S10 earlier in the year. Discount rates of 10% and 16.5%, as applicable, were used in the calculation of the present value of the estimated contractual cash flows for the year ended 31 December 2020 (2019: 10% and 16.5%). Management was required to make certain estimates and assumptions in relation to revenue forecasts, timing of revenues and probability of achievement of commercialisation of Oleogel-S10. However, management notes that, due to issues outside their control (i.e. regulatory requirements and the commercial success of the product), the timing of when such revenue targets may occur may change. Such changes may have a material impact on the assessment of the expected cash flows of the CVRs.

Amryt reviews the expected cash flows on a regular basis as the discount on initial recognition is being unwound as financing expenses in the Consolidated Statement of Comprehensive Loss over the life of the obligation. It is reviewed on a quarterly basis and the appropriate finance charge is booked in the Consolidated Statement of Comprehensive Loss on a quarterly basis. The Group received positive top-line data from the Phase 3 EASE trial of Oleogel-S10 in September 2020. The Group expects this to be followed by applications for approval from the FDA and the EMA.

The total non-cash finance charge recognised in the Consolidated Statement of Comprehensive Loss for the year ended 31 December 2020 is US$12,004,000 (2019: US$1,511,000).

Acquisition of Amryt GmbH (previously "Birken")

Amryt DAC signed a conditional share purchase agreement to acquire Amryt GmbH on 16 October 2015 ("Amryt GmbH SPA"). The Amryt GmbH SPA was completed on 18 April 2016 with Amryt DAC acquiring the entire issued share capital of Amryt GmbH. The consideration included contingent consideration comprising milestone payments and sales royalties as follows:

- Milestone payments of:
  - €10,000,000 on receipt of first marketing approval by the EMA of Episalvan, paid on the completion date (18 April 2016);
  - Either (i) €5,000,000 once net ex-factory sales of Episalvan have been at least €100,000 or (ii) if no commercial sales are made within 24 months of EMA first marketing approval (being 14 January 2016), €2,000,000 24 months after receipt of such approval, which was paid in January 2018, and €3,000,000 following the first commercial sale of Episalvan;
  - €10,000,000 on receipt of marketing approval by the EMA or FDA of a pharmaceutical product containing Betulin as its API for the treatment of EB;
  - €10,000,000 once net ex-factory sales/net revenue of Oleogel-S10 first exceed €50,000,000 in any calendar year;
  - €15,000,000 once net ex-factory sales/net revenue of Oleogel-S10 first exceed €100,000,000 in any calendar year;
- Cash consideration of €150,000, due and paid on the completion date (18 April 2016); and
- Royalties of 9% on sales of Oleogel-S10 products for 10 years from first commercial sale.

Fair Value Measurement of Contingent Consideration

As at 31 December 2020, the fair value of the contingent consideration was estimated to be US$86,906,000 (2019: US$53,048,000). The fair value of the royalty payments was determined using probability weighted revenue forecasts and the fair value of the milestone payments was determined using probability adjusted present values (see Note 24, *Fair value measurement and financial risk management*, for fair value hierarchy applied and impact of key unobservable impact data). The probability adjusted present values took into account published orphan drug research data and statistics which were adjusted by management to reflect the specific circumstances applicable to the type of product acquired in the Amryt GmbH transaction. The market-based probability chance of success is based on market benchmarks for orphan drugs, was increased to 89% in 2020 (2019: 72%) following the positive results from our Phase 3 EASE trial of Oleogel-S10 earlier in the year. A discount rate of

Notes to the Financial Statements continued

For the year ended 31 December 2020

14.4% (2019: 24.4%) was used in the calculation of the fair value of the contingent consideration for the year ended 31 December 2020. The decrease in the discount rate is mainly driven by the significant change in Group over the last 12 months where the Group has significantly de-risked with growth in commercial revenues, positive top-line data on the Phase 3 EASE trial of Oleogel-S10, increasing cash balances during the year, increasing share price and additional equity fund raises during the year.

The Group received positive top line results from the Phase 3 EASE trial of Oleogel-S10 in September 2020, and the Group expects this to be followed by applications for approval from the FDA and the EMA. These factors have resulted in a change to the probability weighted revenue forecasts and the probability of the adjusted present values which are used in the calculation of the contingent consideration balance and impact the amount being unwound to the Consolidated Statement of Comprehensive Loss. Changes may have a material impact on the assessment of the fair value of the contingent consideration.

Amryt reviews the contingent consideration on a regular basis as the probability adjusted fair values are being unwound as financing expenses in the Consolidated Statement of Comprehensive Loss over the life of the obligation. The finance charge is being unwound as a financing expense in the Consolidated Statement of Comprehensive Loss on a quarterly basis.

The total non-cash finance charge recognised in the Consolidated Statement of Comprehensive Loss for the year ended 31 December 2020 is US$27,827,000 (2019: US$6,740,000).

7. Operating loss for the year

Operating loss for the year is stated after charging (crediting):

	Group 31 December		Company 31 December	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Fees payable to the Group's auditor and their associates for the audit of parent and consolidated financial statements	**814**	443	**814**	443
Fees payable to the Group's auditor and their associates for audit related services	**44**	168	**44**	168
Changes in inventory expensed (excluding fair value step-up) (see Note 15)	**25,854**	11,384	**–**	–
Amortisation of inventory fair value step-up, as restated* (see Note 15)	**27,617**	7,473	**–**	–
Research and development expenses	**27,618**	15,827	**–**	–
Share based payments (see Note 5)	**4,729**	841	**(245)**	428
Pension costs	**1,284**	769	**–**	–
Depreciation of property, plant and equipment (see Note 13)	**1,297**	698	**–**	–
Amortisation of intangible assets, as restated* (see Note 12)	**43,168**	11,583	**–**	–
Operating lease rentals	**623**	170	**–**	–
Foreign exchange gains (see Note 9)	**(2,699)**	(3,750)	**145**	45

* see note 27

8. Employees

Including the directors, the Group and Company's average number of employees during the year was 174 (2019: 99) and 6 (2019: 5), respectively. Further details on remuneration of the Group's directors and Company's employees are included in the Annual Remuneration Report on page 53.

The directors consider the workforce as a whole and therefore the average number of employees by different categories is not considered relevant the Group or Company.

Aggregate remuneration comprised:

	31 December 2020 US$'000	31 December 2019 US$'000
Wages and salaries	**32,688**	17,268
Social security costs	**3,431**	2,037
Pension costs – employees	**1,213**	769
Directors' remuneration	**2,158**	2,555
Shared based payments (see note 5)	**4,729**	841
Total employee costs	**44,219**	23,470

Aggregate remuneration attributable to the highest-paid director amounted to US$1,719,000 (2019: US$1,372,000). The directors of the Company held the following share options over shares of Amryt Pharma plc at 31 December 2020:

	31 December 2020		
Director	**Number**	**Exercise price**	**Expiration Date**
Joseph Wiley	**6,437,460**	**£0.76 – £121.50p**	**28 November 2024 – 4 November 2026**
Raymond T. Stafford	**220,000**	**$2.25**	**9 July 2027**
George P. Hampton, Jr.	**220,000**	**$2.25**	**9 July 2027**
Dr. Alain H. Munoz	**220,000**	**$2.25**	**9 July 2027**
Donald K. Stern	**220,000**	**$2.25**	**9 July 2027**
Dr. Patrick V.J.J. Vink	**220,000**	**$2.25**	**9 July 2027**
Stephen T. Wills	**220,000**	**$2.25**	**9 July 2027**

	31 December 2019		
Director	Number	Exercise price	Expiration Date
Joseph Wiley	6,437,460	£0.76 – £121.50p	28 November 2024 – 4 November 2026

During the year ended 31 December 2020, a total of 1,320,000 share options were granted to directors of the Company. A total of 220,000 share options were granted to each of Raymond T. Stafford, George P. Hampton, Jr., Dr. Alain H. Munoz, Donald K. Stern, Dr. Patrick V.J.J. Vink and Stephen T. Wills.

Further information on the compensation of key management personnel is included in Note 23, *Related party transactions*, of these financial statements.

Notes to the Financial Statements continued

For the year ended 31 December 2020

9. Net finance expense – other

	31 December 2020 US$'000	31 December 2019 US$'000
Interest on loans	22,003	8,464
Interest on lease liabilities	335	17
Charges and fees paid	17	120
Interest received	(87)	(92)
Foreign exchange gains	(2,699)	(3,750)
Total	19,569	4,759

10. Tax credit on loss on ordinary activities

Group

A corporation tax credit of US$1,332,000 arises in the year ended 31 December 2020 (2019: credit of US$495,000, as restated*). A reconciliation of the expected tax benefit computed by applying the tax rate applicable in the primary jurisdiction, the Republic of Ireland, to the loss before tax to the actual tax credit is as follows:

	31 December 2020 US$'000	31 December 2019 restated* US$'000
Loss before tax	(105,859)	(63,493)
Tax credit at Irish corporation tax rate of 12.5%	(13,232)	(7,937)
Effect of:		
Movement in unrecognised deferred tax assets	3,624	3,831
Permanent differences	11,260	6,474
Differences in overseas taxation rates	(2,984)	(2,863)
Total tax (credit)/charge on loss on ordinary activities	(1,332)	(495)

* see note 27

At 31 December 2020, the Group had unutilised net operating losses in the following jurisdictions as follows:

	31 December 2020 US$'000	31 December 2019 US$'000
Ireland	108,677	53,266
United States	35,043	36,334
Germany	28,288	26,228
United Kingdom	42,893	16,828
Total	214,901	132,656

The deferred tax asset on tax losses of US$38,244,152 (2019: US$25,858,892), which was calculated at corporation tax rates ranging from 12.5% to 32%, has not been recognised due to the uncertainty of the recovery. Tax losses in Ireland, Germany and the UK can be carried forward indefinitely.

Due to historical changes in ownership of the U.S. business, the U.S. tax losses carried forward are restricted in how they can be used against future profits of the Group. U.S. losses related to tax periods prior to 2018 can be carried forward for 20 years while losses from 2018 onwards can be carried forward indefinitely.

All current and deferred tax related charges are recognised in the Consolidated Statement of Comprehensive Loss.

Company

No tax charge has been included for the financial period as no taxable profits arise. A reconciliation of the loss before tax multiplied by the standard rate of corporation tax in the UK of 19% is provided below:

	31 July 2020 US$'000	31 July 2019 US$'000
Loss before tax	**(17,597)**	(1,232)
Tax corporation tax rate of 19%	**(3,343)**	(234)
Effect of:		
Losses unutilised	**3,343**	234
Total tax charge on loss on ordinary activities	**–**	–

11. Loss per share – basic and diluted

The weighted average number of shares in the loss per share ("LPS") calculation, reflects the weighted average total actual shares of Amryt Pharma plc in issue at 31 December 2020.

Issued share capital – ordinary shares of £0.06 each

	Number of shares	Weighted average shares
31 December 2020	**178,801,593**	**158,591,356**
31 December 2019	**154,498,887**	**75,871,562**

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

	31 December 2020	31 December 2019 restated*
Loss after tax attributable to equity holders of the Company (US$'000)	**(104,527)**	(62,998)
Weighted average number of ordinary shares in issue	**158,591,356**	75,871,562
Fully diluted average number of ordinary shares in issue	**158,591,356**	75,871,562
Basic and diluted loss per share (US$)	**(0.66)**	(0.83)

* see note 27

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 2020 totalled 28,065,710 (2019: 32,023,535) and are potentially dilutive.

Notes to the Financial Statements continued

For the year ended 31 December 2020

12. Intangible assets and goodwill

The following table summarises the Group's intangible assets and goodwill:

	Developed technology - metreleptin US$'000	Developed technology - lomitapide US$'000	In-process R&D US$'000	Other intangible assets US$'000	Total intangible assets US$'000	Goodwill US$'000
Cost						
At 1 January 2019	–	–	60,091	258	60,349	–
Additions	–	–	–	74	74	–
Acquired assets, as restated*	176,000	123,000	–	374	299,374	19,131
Impairment charge	–	–	(4,670)	–	(4,670)	–
Foreign exchange movement	–	–	(1,160)	(5)	(1,165)	–
At 31 December 2019, as restated*	**176,000**	**123,000**	**54,261**	**701**	**353,962**	**19,131**
Additions	–	–	–	372	372	–
Acquired assets	–	–	591	–	591	–
Disposals	–	–	–	(246)	(246)	–
Foreign exchange movement	–	–	5,276	39	5,315	–
At 31 December 2020	**176,000**	**123,000**	**60,128**	**866**	**359,994**	**19,131**
Accumulated amortisation						
At 1 January 2019	–	–	–	52	52	–
Amortisation charge, as restated*	7,314	4,143	–	126	11,583	–
At 31 December 2019, as restated*	7,314	4,143	–	178	11,635	–
Amortisation charge	27,429	15,537	–	202	43,168	–
Accumulated amortisation on disposals	–	–	–	(246)	(246)	–
Foreign exchange movement	–	–	–	68	68	–
At 31 December 2020	**34,743**	**19,680**	**–**	**202**	**54,625**	**–**
Net book value						
At 31 December 2019, as restated*	168,686	118,857	54,261	523	342,327	19,131
At 31 December 2020	**141,257**	**103,320**	**60,128**	**664**	**305,369**	**19,131**

* see note 27

Developed technology on commercially marketed products

In connection with the acquisition of Aegerion in September 2019, the Group acquired developed technology, metreleptin and lomitapide. Refer to Note 2, *Accounting policies - critical accounting judgements and key sources of estimation uncertainty*, for further discussion on the valuation related to the developed technology, including the key assumptions utilised. These intangible assets are amortised over their estimated useful lives and the remaining useful lives for metreleptin and lomitapide are approximately 5.2 and 6.7 years, respectively, as of 31 December 2020 (2019: 6.2 and 7.7 years, respectively).

The amortisation associated with metreleptin and lomitapide is recorded as part of cost of sales. As of 31 December 2020, the estimated amortisation expense related to these intangibles for future periods is as follows:

Years Ending 31 December	Metreleptin US$'000	Lomitapide US$'000
2021	27,429	15,537
2022	27,429	15,537
2023	27,429	15,537
2024	27,429	15,537
2025	27,429	15,537
Thereafter	4,112	25,635
	141,257	**103,320**

In-process R&D

On 12 October 2020, Amryt acquired Cala Medical Limited ("Cala Medical") for a consideration of US$723,000. As a result of the acquisition of Cala Medical the Group recognised in-process R&D costs of US$591,000 as an intangible asset. This is related to the Group's development project AP104, which is an early-stage drug asset. Cala Medical is focused on the development of a therapeutic enzyme (ScpA) targeting a molecule in the complement pathway, C5a, that mediates immune responses and inflammation. Initial research efforts focused on the use of a modified form of ScpA as part of a medical device used to remove C5a from the circulation of patients suffering from sepsis. Amryt has redirected efforts towards the development of a pharmaceutical agent that may be administered locally or systemically to address multiple other disease areas of interest that may be favourably impacted by inhibition of C5a activity.

As a result of the acquisition of Amryt GmbH, in 2016, the Group recognised in-process R&D costs of US$54,268,000 which is related to the Group's lead development asset, Oleogel-S10.

As a result of the acquisition of Som Therapeutics Corp., in 2016, the Group recognised in-process R&D costs of US$4,522,000 as an intangible. This is related to the Group's development project AP102, which is an early-stage drug asset. AP102 may represent a novel, next generation somatostatin analogue ("SSA") peptide medicine for patients with rare neuroendocrine diseases, where there is a high unmet medical need, including acromegaly. Acromegaly is a rare endocrine disorder in which the body produces excessive growth hormone, leading to abnormal growth throughout the body over time.

In 2019, following the acquisition of Aegerion by the Group, a decision was made not to pursue the development of AP102 and therefore, the Group wrote off this asset, resulting in an impairment charge of US$4,670,000 recognised as other expense during the year ended 31 December 2019. The decision to impair this intangible asset is primarily based on the grounds that the acquisition of Aegerion has been transformational for the Group, as it has now become a global, commercial-stage biopharmaceutical company dedicated to commercialising and developing novel therapeutics to treat patients suffering from serious and life-threatening rare diseases. The Group's diversified portfolio is comprised of two commercial rare disease products, as well as a development-stage pipeline focused on rare skin diseases. Since the commercial products, lomitapide for the treatment of homozygous familial hypercholesterolemia ("HoFH"), and metreleptin for the treatment of generalised lipodystrophy ("GL") and partial lipodystrophy ("PL"), have each been sold globally through the Group's commercial infrastructure for over six years, management believes it is in the best interest of the Group to concentrate resources on these new development pipeline activities which will better complement the existing commercial products. The Group may look to partner AP102 in the long-term future but in the short and medium term, the Group will continue to concentrate on Oleogel-S10, AP103 and expansion opportunities for the existing commercial products.

Other intangible assets

Other intangible assets include website costs and the Group's computer software and hardware. The amortisation associated with computer software, hardware and website costs is recorded in both SG&A and R&D expenses. These assets are stated at cost and amortised using the straight-line method based on the estimated economic lives, ranging from 3 - 10 years.

Notes to the Financial Statements continued

For the year ended 31 December 2020

Goodwill

During 2019, the Group completed the acquisition of Aegerion, which resulted in aggregate goodwill of US$19,131,000, as restated (See Note 27, *Restatement of prior year comparatives*). Refer to Note 6, *Business combinations and asset acquisitions*, for further details. The Group believes that the business, as a whole, represents a single CGU, as it is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Additionally, the Group only operates in one business segment and does not operate any separate lines of business or separate business entities with respect to its products. Accordingly, the Group does not accumulate discrete financial information with respect to separate service lines and does not have separate reportable segments.

Impairment

The Group reviews the carrying amount of intangible assets on an annual basis or when there is a triggering event that may be an indication of possible impairment. The Group conducts an impairment review by determining recoverable amounts from value in use calculations. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Impairment indications include events causing significant changes in any of the underlying assumptions used in the income approach utilised in valuing intangible assets. The key assumptions are the probability of success; the discount factor; the timing of future revenue flows; market penetration and peak sales assumptions; and expenditures required to complete development.

These cash flows are projected forward to the year 2032 using projected revenue and cost growth to determine the basis for an annuity-based terminal values. The terminal values are used in the value in use calculation. The value in use represents the present value of the future cash flows, including the terminal value, discounted at a rate that is considered appropriate for the Group's size and structure.

The key assumptions employed in arriving at the estimates of future cash flows are subjective and include projected EBITDA, an orphan drug market-based probability chance of success, net cash flows, discount rates and the duration of the discounted cash flow model. The assumptions and estimates used were derived from a combination of internal and external factors based on historical experience. The pre-tax discount rate used in 2020 and 2019 was 14.4% and 16.5%, respectively.

The value-in-use calculation is subject to significant estimation, uncertainty and accounting judgements and key sensitivities arise in the following areas:

- In the event that there was a variation of 10% in the assumed level of future growth in revenues, which would, in management's view, represent a reasonably likely range of outcomes, this variation would not result in an impairment loss at 31 December 2020.
- In the event there was a 5% increase in the discount rate used in the value in use model which would in management's view represent a reasonably likely range of outcomes, this variation would not result in an impairment loss at 31 December 2020.

Goodwill is subject to impairment testing on an annual basis. The recoverable amount of the Group's CGU is determined based on a value-in-use computation. The Group's value-in-use calculations included the cash flow projections based on the 2021 budget which has been approved by the Board of Directors and the Group's strategic plan for a further three years using projected revenue growth rates of between 10% - 33% and cost growth rates of between -4% and 38%. At the end of the four-year forecast period, the terminal value, based on a long-term growth rate of 2%, was used in the value-in-use calculations. The value-in-use represents the present value of the future cash flows, including the terminal value, discounted at a rate appropriate to the Group. The key assumptions employed in arriving at the estimates of future cash flows are subjective and include projected EBITDA, net cash flows, discount rates and the duration of the discounted cash flow model. The Group have used a discount rate of 14.4% (2019: 16.5%) which we believe is a realistic estimate for the Group as well as the Group's risk profile.

The 2020 annual impairment testing process resulted in no impairment for the year ended 31 December 2020 (2019: nil).

13. Property, plant and equipment

The following table summarises the Group's property, plant and equipment:

	Property US$'000	Plant and Machinery US$'000	Office Equipment US$'000	Right-of-use assets US$'000	Total US$'000
Cost					
At 1 January 2019	386	1,039	421	–	1,846
Additions	6	253	167	152	578
Impact of IFRS 16	–	–	–	874	874
Acquired assets	–	276	–	924	1,200
Disposals	–	(114)	(32)	–	(146)
Foreign exchange movement	(9)	(22)	(9)	50	10
At 31 December 2019	**383**	**1,432**	**547**	**2,000**	**4,362**
Additions	38	527	938	4,420	5,923
Disposals	–	–	(372)	(378)	(750)
Foreign exchange movement	38	93	165	140	436
At 31 December 2020	**459**	**2,052**	**1,278**	**6,182**	**9,971**
Accumulated amortisation					
At 1 January 2019	269	319	160	–	748
Depreciation charge	90	162	64	382	698
Depreciation charge on disposals	–	(71)	(32)	–	(103)
Foreign exchange movement	(6)	(6)	(5)	–	(17)
At 31 December 2019	**353**	**404**	**187**	**382**	**1,326**
Depreciation charge	15	134	209	939	1,297
Depreciation charge on disposals	–	–	(239)	(129)	(368)
Foreign exchange movement	35	37	11	59	142
At 31 December 2020	**403**	**575**	**168**	**1,251**	**2,397**
Net book value					
At 31 December 2019	**30**	**1,028**	**360**	**1,618**	**3,036**
At 31 December 2020	**56**	**1,477**	**1,110**	**4,931**	**7,574**

Notes to the Financial Statements continued

For the year ended 31 December 2020

14. Trade and other receivables

	Group		Company	
	31 December 2020 US$'000	31 December 2019 restated* US$'000	**31 December 2020 US$'000**	31 December 2019 US$'000
Trade receivables	**33,057**	28,607	**–**	–
Accrued income and other debtors	**8,423**	5,493	**2,289**	221
VAT recoverable	**1,705**	1,400	**75**	171
Intercompany receivables	**–**	–	**8,771**	58,221
Trade and other receivables	**43,185**	**35,500**	**11,135**	**58,613**

* see note 27

The amount of ECL to recognised against trade and other receivables is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For the year ended 31 December 2020 the ECL was calculated as nil and therefore no impairment is considered necessary.

The 31 December 2020 accrued income and other debtors balance for the Group includes US$287,000 (2019: US$857,000) in relation to prepaid Phase 3 clinical trial costs.

Intercompany receivables mainly relate to recharges of expenses incurred by the Company in providing management services to the wider Group. These intercompany receivables are interest free basis and repayable on demand. During the year ended 31 December 2020, no impairment charge was recognised (2019: nil).

15. Inventories

	31 December 2020 US$'000	31 December 2019 restated* US$'000
Raw materials	**25,462**	20,043
Work in progress	**3,903**	2,489
Finished goods	**11,627**	35,468
Inventories	**40,992**	**58,000**

* see note 27

In 2020, a total of US$25,854,000 (2019: US$11,384,000) of inventories was included in the consolidated statement of comprehensive loss as an expense (excluding the fair value step-up).

The fair value of net inventory acquired as part of the acquisition of Aegerion on 24 September 2019 amounted to US$57,441,000, as restated (See Note 27, *Restatement of prior year comparatives*). This is net of non-saleable inventory acquired in connection with the acquisition of Aegerion which amounted to US$53,440,000, as restated (See Note 27, *Restatement of prior year comparatives*). The non-saleable inventories were determined based on the expiration dates and future manufacturing commitments which could result in inventory levels in excess of forecast demand. Under IFRS 3, the finished goods inventory on hand at the date of acquisition was valued at the expected selling price less the sum of (a) remaining costs of disposal and (b) a reasonable profit margin for the selling effort of the acquiring entity based on the EBITDA margin as a percentage of sales. The costs to dispose were calculated based on the average costs as a percentage of revenue through the period in which the current finished goods inventory is expected to be sold. This resulted in a non-cash step up at the valuation of finished goods inventory at 24 September 2019 of

US$36,294,000, as restated (See Note 27, *Restatement of prior year comparatives*). The non-cash step up in inventory is being unwound to the Consolidated Statement of Comprehensive Loss over the period in which this saleable inventory is expected to be sold which is less than one year as of 31 December 2020. At 31 December 2020, US$1,204,000 (2019: US$28,821,000, as restated, see Note 27, *Restatement of prior year comparatives*) of this non-cash inventory step up is included in finished good inventory.

All inventory was reviewed at year end and no impairment was deemed necessary.

16. Cash and cash equivalents

	Group		Company	
	31 December 2020 US$'000	31 December 2019 US$'000	**31 December 2020 US$'000**	31 December 2019 US$'000
Cash at bank available on demand	**118,575**	65,197	**38,364**	–
Restricted cash	**223**	2,032	**–**	–
Total cash and cash equivalents	**118,798**	**67,229**	**38,364**	**–**

Cash and cash equivalents include cash at bank available on demand and restricted cash.

At 31 December 2020 and 31 December 2019, there was US$223,000 and US$2,032,000 of restricted cash, respectively. The balance at 31 December 2020 includes a deposit on a company credit card facility for an amount of US$150,000 (31 December 2019: US$150,000). Of the US$2,032,000 held in restricted cash at 31 December 2019, $1,069,000 was in an escrow account, which was set-up in accordance with Aegerion's bankruptcy plan as approved by the U.S. Bankruptcy Court, and it was fully utilised to pay the costs associated with the bankruptcy process. Additionally, there was US$73,000 held by a third-party distributor at 31 December 2020 (31 December 2019: US$813,000).

17. Share capital and reserves

Details of the number of issued ordinary shares with a nominal value of Sterling 6 pence (2019: 6 pence) each are in the table below.

	Ordinary shares		Treasury shares		Deferred shares	
	2020	2019	2020	2019	2020	2019
At 1 January	**154,498,887**	274,817,283	**4,864,656**	–	**–**	43,171,134
Share consolidation in 2019	**–**	(229,014,401)	**–**	–	**–**	(43,171,134)
Issue of shares in exchange for warrants	**8,229,753**	1,645,105	**–**	–	**–**	–
Issue of shares in equity fund raises	**16,000,000**	34,888,133	**–**	–	**–**	–
Issue of shares in consideration of Aegerion Acquisition	**–**	77,027,423	**–**	–	**–**	–
Issue of treasury shares for share options exercised	**72,953**	–	**(72,953)**	–	**–**	–
Treasury shares acquired in consideration for additional warrants	**–**	(4,864,656)	**–**	4,864,656	**–**	–
At December 31	**178,801,593**	**154,498,887**	**4,791,703**	**4,864,656**	**–**	**–**

Notes to the Financial Statements continued

For the year ended 31 December 2020

The components of equity are detailed in the Consolidated and Company Statement of Changes in Equity and described in more detail below.

The total number of ordinary shares issued at 31 December 2020 of 183,593,296 (2019: 159,363,543), includes treasury shares of 4,791,703 (2019: 4,864,656).

In December 2020, the Company issued 3,200,000 American Deposit Shares ("ADSs"), each representing five ordinary shares, as part of a US$40,000,000 private placement equity raise to existing and new shareholders.

The Company issued 4,000,000 and 4,229,753 ordinary shares on 15 July 2020 and 22 September 2020, respectively, in exchange for certain warrants.

On 27 December 2019, the Company issued 1,645,105 shares to certain shareholders in consideration of warrants.

On 24 September 2019, the following equity issuances were conducted:

- 77,027,423 ordinary shares and 8,065,000 warrants for a consideration of US$152,615,000 were issued as part of the Aegerion acquisition whereby the company acquired the entire share capital of Aegerion.
- 27,541,944 ordinary shares and 5,911,722 warrants were issued as part of a US$60,000,000 fund raising.

In an US$8,000,000 equity raise, the Company issued 7,346,189 ordinary shares, 4,580,288 shares in August 2019 and 2,765,901 shares in September 2019.

In July 2019, the Company repurchased all of the 43,171,134 Deferred Ordinary Shares for an aggregate consideration of £0.01 and the Deferred Shares were immediately cancelled. Simultaneously the Company allotted four additional ordinary shares of par value £0.01 each in the capital of the Company, in connection with a 6 to 1 consolidation of the Company's share capital.

Share Capital

Share capital represents the cumulative par value arising upon issue of ordinary shares of Sterling 6 pence each.

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

Share Premium

Share premium represents the consideration that has been received in excess of the nominal value on issue of share capital net of issue costs and transfers to distributable reserves.

Warrant reserve

The warrant reserve represents zero cost warrants issued as part of the equity raise on 24 September 2019 net of issue costs apportioned to warrants issued and additional warrants issued to certain shareholders on 14 November 2019. Each warrant entitles the holder to subscribe for one ordinary share at zero cost. The Company issued 4,000,000 and 4,229,753 ordinary shares on 15 July 2020 and 22 September 2020, respectively, in exchange for certain warrants. On 27 December 2019, the company issued 1,645,105 ordinary shares in consideration for certain warrants.

Treasury Shares

On 14 November 2019, the Company repurchased a combined 4,864,656 ordinary shares from certain shareholders. In exchange for the ordinary shares, these shareholders were issued an equivalent number of zero cost warrants. These ordinary shares are now held as treasury shares. In October 2020, the Company issued 72,953 ordinary shares from treasury shares following the exercise of share options.

Share based payment reserve

Share based payment reserve relates to the charge for share based payments in accordance with IFRS 2.

Merger reserve

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

Reverse acquisition reserve

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

Equity component of convertible notes

The equity component of convertible notes represents the equity component of the US$125,000,000 convertible debt and is measured by determining the residual of the fair value of the instrument less the estimated fair value of the liability component. The equity component is recognised in equity and is not subsequently remeasured.

Other distributable reserves

Other distributable reserves comprise the following:

- Distribution of the share premium amount on 6 November 2019 of US$268,505,000. By special resolution of the Company duly passed on 23 September 2019, it was resolved that the entire amount outstanding to the credit of the share premium account and capital redemption reserve of the Company be cancelled. The reduction in capital, amounting to US$268,505,000, representing the entire amount of share premium at that time, was approved by the High Court of Justice of England and Wales on 5 November 2019.
- A deemed distribution of US$47,902,000 arising from the issuance of CVRs.
- A deemed distribution of US$2,969,000 arising from the scheme of arrangement in September 2019 whereby Amryt Pharma plc, which was incorporated in July 2019, became a 100% shareholder of Amryt Pharma Holdings Limited (formerly named Amryt Pharma plc) (the "Acquisition of subsidiary without a change of control").

Currency translation reserve

The currency translation reserve arises on the retranslation of non-U.S. dollar denominated foreign subsidiaries.

Accumulated deficit

Accumulated deficit represents losses accumulated in previous periods and the current year.

Notes to the Financial Statements continued

For the year ended 31 December 2020

18. Deferred tax liability

	Total US$'000
At 1 January 2019	6,161
Net movement during the year, as restated*	986
At 31 December 2019, as restated*	7,147
Net movement during the year	(535)
At 31 December 2020	**6,612**

* see note 27

A deferred tax liability arose in 2016 on the acquisition of Amryt GmbH. An intangible asset was recognised in relation to in process R&D. As the intangible asset only arises on consolidation and there may not be tax deductions available on sale, its tax base is nil.

When the intangible asset is amortised the tax difference will be reduced and the movement in the deferred tax liability will be recognised in profit or loss. The in-process R&D is currently not being amortised and as a result the deferred tax liability in relation to the Birken acquisition continues to be in place. As a Euro denominated liability, FX movements resulted in the deferred tax liability increasing by US$583,000 in the year.

Separately, a deferred tax liability was recognised in 2019 in connection with the acquisition of Aegerion Pharmaceuticals, Inc. (see Note 6, *Business combinations and asset acquisitions*). The intangible assets have been recognised at their fair value. As the transaction was completed as a share acquisition, the intangible assets were not re-based to fair value from a tax perspective with a deferred tax liability being recognised on acquisition. These intangibles are being amortised and the resulting reduction in the deferred tax liability will be recognised in profit or loss. There was a reduction in the liability of US$1,118,000 during the year.

19. Long term loan

	31 December 2020 US$'000	31 December 2019 US$'000
Long term loan principal	88,037	82,456
Unamortised debt issuance costs	(735)	(846)
Long term loan	**87,302**	**81,610**

As part of the acquisition of Aegerion on 24 September 2019, Aegerion entered into a new U.S. dollar denominated US$81,021,000 secured term loan debt facility ("Term Loan") with various lenders. The Term Loan is made up of a US$54,469,000 loan that was in place prior to the acquisition which was refinanced as part of the acquisition and a US$26,552,000 additional loan that was drawn down on 24 September 2019. The Term Loan has a five-year term from the date of the draw down, 24 September 2019 and matures on 24 September 2024. Under the Term Loan, interest will be payable at the option of the Group at the rate of 11% per annum paid in cash on a quarterly basis or at a rate of 6.5% paid in cash plus 6.5% paid in kind that will be paid when the principal is repaid, which rolls up and is included in the principal balance outstanding, on a quarterly basis. Unpaid accrued interest of US$1,439,000 as at 31 December 2020 is recognised in current liabilities with trade and other payables (2019: US$nil). The Term Loan may be prepaid, in whole or in part, by Aegerion at any time subject to payment of an exit fee, which depending on the stage of the loan term, ranges from 5.00% to 0.00% of the principal then outstanding on the Term Loan.

In connection with the Term Loan, the Group incurred approximately US$870,000 of debt issuance costs, which primarily consisted of underwriting, legal and other professional fees. These costs are being amortised over the expected life of the loan using the effective interest method.

The Term Loan is guaranteed by Amryt and certain subsidiaries of the Group. In connection with the loan agreement, fixed and floating charges have been placed on property and undertakings of Amryt and certain subsidiaries of the Group.

The Term Loan agreement includes affirmative and negative covenants, including prohibitions on the incurrence of additional indebtedness, granting of liens, certain asset dispositions, investments, and restricted payments, in each case, subject to certain exceptions set forth in the Loan Agreement. The Term Loan agreement also includes customary events of default for a transaction of this type and includes (i) a cross-default to the occurrence of any event of default under material indebtedness of Aegerion and certain subsidiaries of the Group and Amryt, including the convertible notes, and (ii) Amryt or any of its subsidiaries being subject to bankruptcy or other insolvency proceedings. Upon the occurrence of an event of default, the lenders may declare all of the outstanding Term Loan and other obligations under the Term Loan agreement to be immediately due and payable and exercise all rights and remedies available to the lenders under the Term Loan agreement and related documentation. There have been no events of default or breaches of the covenants occurring for the year ended 31 December 2020 (2019: no events).

Changes in long term loans from financing activities:	**2020 US$'000**	2019 US$'000
At January 1	**81,610**	19,011
Cash-flows		
Proceeds from loans and borrowings	**–**	31,176
Repayment of loans and borrowings	**–**	(21,990)
Liability related		
Paid in kind interest	**5,585**	797
Amortisation of debt costs	**107**	54,469
Accrued interest	**1,439**	(1,853)
At December 31	**88,741**	**81,610**

20. Convertible notes

	Total US$'000
At 1 January 2019	–
Issuance of convertible notes	125,000
Amount classified as equity	(29,210)
Accreted interest	1,066
At 31 December 2019	96,856
Accreted interest	4,230
At 31 December 2020	101,086

As part of the acquisition, Aegerion issued convertible notes with an aggregate principal amount of US$125,000,000 to Aegerion creditors. Refer to Note 23, *Related party transactions*, for further details.

The convertible notes are senior unsecured obligations and bear interest at a rate of 5.0% per year, payable semi-annually in arrears on 1 April and 1 October of each year, beginning on 1 April 2020. The convertible notes will mature on 1 April 2025, unless earlier repurchased or converted.

Notes to the Financial Statements continued

For the year ended 31 December 2020

The convertible notes are convertible into Amryt's ordinary shares at a conversion rate of 386.75 ordinary shares per US$1,000 principal amount of the convertible notes. If the holders elect to convert the convertible notes, Aegerion can settle the conversion of the convertible notes through payment or delivery of cash, common shares, or a combination of cash and common shares, at its discretion. As a result of the conversion feature in the convertible notes, the convertible notes were assessed to have both a debt and an equity component. The two components were assessed separately and classified as a financial liability and equity instrument. The financial liability component was measured at fair value based on the discounted cash flows expected over the expected term of the notes using a discount rate based on a market interest rate that a similar debt instrument without a conversion feature would be subject to. Refer to Note 17, *Share capital and reserves*, for further details on the equity component of the convertible notes.

From 24 September 2019 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their convertible notes, in multiples of US$1,000 principal amount, at the option of the holder.

The indenture does not contain any financial covenants or restrict the Group's ability to repurchase securities, pay dividends or make restricted payments in the event of a transaction that substantially increases the Group's level of indebtedness in certain circumstances.

The indenture contains customary terms and covenants and events of default. If an event of default (other than certain events of bankruptcy, insolvency or reorganisation involving Aegerion, Amryt and certain subsidiaries of the Group) occurs and is continuing, the trustee by notice to Aegerion, or the holders of at least 25% in principal amount of the outstanding convertible notes by written notice to Aegerion and the trustee, may declare 100% of the principal of and accrued and unpaid interest, if any, on all of the convertible notes to be due and payable. Upon such a declaration of acceleration, such principal and accrued and unpaid interest, if any, will be due and payable immediately. Upon the occurrence of certain events of bankruptcy, insolvency or reorganisation involving Aegerion, 100% of the principal and accrued and unpaid interest, if any, on the convertible notes will become due and payable automatically. Notwithstanding the foregoing, the indenture provides that, upon Aegerion's election, and for up to 180 days, the sole remedy for an event of default relating to certain failures by Aegerion to comply with certain reporting covenants in the indenture consists exclusively of the right to receive additional interest on the convertible notes. There have been no events of default or breaches of the covenants occurring for the year ended 31 December 2020 (2019: no events).

21. Trade and other payables

	Group		Company	
	31 December 2020 US$'000	31 December 2019 restated* US$'000	**31 December 2020 US$'000**	31 December 2019 US$'000
Trade payables	**23,595**	22,489	**528**	789
Accrued expenses	**65,705**	55,066	**3,108**	592
Social security costs and other taxes	**936**	796	**–**	–
Intercompany payables	**–**	–	**14,937**	680
Trade and other payables	**90,236**	**78,351**	**18,573**	**2,061**

* see note 27

The accruals for the Group mainly consist of costs related to government revenue rebates due within one year, convertible note interest, term loan interest, royalty expenses, restructuring costs, clinical and R&D activities. The accruals for the Company mainly relate to equity raising costs and fees on investor relations, audit, tax and other professional services. Intercompany payables relate to advances from subsidiaries to fund operations of the Company due to be settled in 2021.

22. Provisions and other liabilities

	31 December 2020	31 December 2019 restated*
	US$'000	US$'000
Non-current liabilities		
Provisions and other liabilities	21,382	3,910
Leases due greater than 1 year	4,569	1,053
	25,951	4,963
Current liabilities		
Provisions and other liabilities	9,976	23,304
Leases due less than 1 year	963	571
	10,939	23,875
Total provisions and other liabilities	36,890	28,838

* see note 27

Refer to Note 25, *Commitments and contingencies* for further details on provisions.

The Group leases various offices, equipment, vehicles and a production facility.

During the year ended 31 December 2020 there were two new office leases entered into in the Group, the details of which are outlined below.

In February 2020, the Group entered an 8-year term lease for its U.S. operational office, located in Boston, Massachusetts (the "Boston lease"). The lease commenced in June 2020 and the aggregate lease payment over the lease term is approximately US$2,100,000. On initial recognition, the right-of-use asset associated with the Boston lease was US$1,381,000, which was recorded in property, plant and equipment and the corresponding lease liabilities of the same amount were recorded in current provisions and other liabilities and non-current provisions and other liabilities, being US$148,000 and US$1,233,000, respectively.

In June 2020, the Group entered a 20-year term lease for its headquarters, located in Dublin, Ireland (the "Dublin lease"). The lease commenced in June 2020 and the aggregate lease payments over the non-cancellable lease term is approximately US$5,420,000. On initial recognition, the right-of-use asset associated with the Dublin lease was US$2,965,000, which was recorded in property, plant and equipment and the corresponding lease liabilities of the same amount were recorded in current provisions and other liabilities and non-current provisions and other liabilities, being US$110,000 and US$2,855,000, respectively.

The right-of-use assets associated with the Dublin and Boston leases represent the Group's right to use the underlying assets during the respective lease term and the related lease liabilities represent the Group's obligation to make lease payments arising from the leases. Both the right-of-use assets and the corresponding liabilities are recognised at the commencement date of the leases based upon the present value of lease payments over the lease term. As the Group's leases do not provide an implicit rate, when determining the lease liabilities, the Group estimated the incremental borrowing rate with reference to the interest rate from the Term Loan entered in September 2019.

The Dublin and Boston leases do not contain purchase options. The Boston lease contains renewal options that can be exercised at the discretion of the Group, and the Group only includes renewal option in the lease term when it is reasonably certain to exercise such option. The Dublin lease includes a termination option that can be exercised at the discretion of the Group on the 12th anniversary of the lease commencement date. The lease term includes the period up to the termination option date where it is reasonably certain that the option will not be taken.

Notes to the Financial Statements continued

For the year ended 31 December 2020

	2020 US$'000	2019 US$'000
Changes in lease liabilities from financing activities:		
At January 1	**1,624**	–
Adoption of IFRS 16	–	874
Cash-flows		
Payment of leases	**(1,119)**	(393)
Non-cash		
Acquired lease assets	–	924
New leases	**4,420**	152
Interest expense	**335**	17
Foreign exchange movement	**272**	50
At December 31	**5,532**	1,624

23. Related party transactions

Compensation of key management personnel

At 31 December 2020 the key management personnel of the Group and Company were made up of two key personnel, the executive director, Joe Wiley and the Chief Financial Officer and Chief Operating Officer, Rory Nealon. Rory Nealon was an executive director of the Company in 2018 and resigned from this position on 24 September 2019, he was appointed as company secretary on 24 September 2019.

Compensation for the years ended 31 December 2020 and 31 December 2019 of these personnel is detailed below:

	31 December 2020 US$'000	31 December 2019 US$'000
Short-term employee benefits	**1,409**	1,049
Performance related bonus	**1,122**	1,286
Post-employment benefits	**119**	86
Share-based compensation benefits	**2,895**	510
Total compensation	**5,545**	2,931

Shares purchased by directors of the Company

The Chairman, Ray Stafford, purchased 918,273 and 300,100 Amryt ordinary shares as part of the interim fundraise in August 2019 and in March 2021, respectively. The executive director, Joe Wiley purchased 7,999 shares on the open market in January 2020.

Agreements with principal shareholders

Long term loan

On 24 September 2019, the Group entered into a long term loan. Proceeds from the long term loan were used to refinance Aegerion's existing secured bridge loan in the principal amount of approximately US$50,000,000 (in principal) held by certain funds managed by Athyrium Capital Management, LP and Highbridge Capital Management, LLC, respectively. Further information on the terms of the long term loan is included in Note 19, *Long term loan*, of these financial statements.

Convertible notes

On 24 September 2019, the Company issued US$125,000,000 aggregate principal amount of convertible notes due 2025 to certain creditors of Aegerion. The convertible notes bear interest at a rate of 5% per annum, payable in cash semi-annually. The convertible notes will mature approximately five and a half years after issuance, unless earlier repurchased, redeemed or converted. Further information on the terms of the convertible notes is included in Note 20, *Convertible notes*, of these financial statements.

Zero Cost Warrants

The Company agreed, for certain Aegerion creditors who wished to restrict their percentage share interest in Amryt's issued share capital, to issue to the relevant Aegerion creditor, as an alternative to Amryt ordinary shares, an equivalent number of new zero cost warrants to subscribe for Amryt ordinary shares to be constituted on the terms of the zero cost warrant. The relevant Aegerion creditors are entitled at any time to exercise the zero cost warrants, at which point in time the Company would issue to that Aegerion creditor the relevant number of fully paid ordinary shares in return for the exercise of the zero cost warrants.

On 24 September 2019, certain of Aegerion's creditors elected to receive 8,065,000 zero cost warrants to subscribe for Amryt ordinary shares as consideration for the acquisition. Separately 5,911,722 warrants were issued to investors in connection with the US$60,000,000 equity raise.

On 14 November 2019, the Company repurchased a combined 4,864,656 ordinary shares from Highbridge Tactical Master Fund L.P., Highbridge SCF Special Situations SPV, L.P. and Nineteen77 Global Multi Strategy Alpha Master Limited. In exchange for the ordinary shares, these institutions were issued an equivalent number of zero cost warrants. Each warrant entitles the holder to subscribe for one ordinary share at zero cost. These ordinary shares are now held as treasury shares. On 19 December 2019, Highbridge MSF International Ltd exercised 1,645,105 zero cost warrants in exchange for 1,645,105 ordinary shares.

In July 2020, Highbridge Tactical Master Fund L.P. exercised 4,000,000 zero cost warrants in exchange for 4,000,000 ordinary shares. In September 2020, Nineteen77 Global Multi Strategy Alpha Master Limited exercised 4,229,753 zero cost warrants in exchange for 4,229,753 ordinary shares.

Notes to the Financial Statements continued

For the year ended 31 December 2020

24. Fair value measurement and financial risk management

Categories of financial instruments

	Group		Company	
	31 December 2020 US$'000	31 December 2019 restated* US$'000	31 December 2020 US$'000	31 December 2019 US$'000
Financial assets (all at amortised cost):				
Cash and cash equivalents	**118,798**	67,229	**38,364**	–
Trade receivables	**33,057**	28,607	**–**	–
Intercompany receivables	**–**	–	**8,771**	58,221
Total financial assets	**151,855**	**95,836**	**47,135**	**58,221**
Financial liabilities:				
At amortised cost				
Trade payables and accrued expenses	**89,300**	77,555	**3,636**	1,381
Intercompany payables	**–**	–	**14,937**	680
Lease liabilities	**5,532**	1,624	**–**	–
Other liabilities	**25,358**	19,457	**–**	–
Convertible notes	**101,086**	96,856	**–**	–
Long term loan	**87,302**	81,610	**–**	–
Contingent value rights	**61,417**	49,413	**61,417**	49,413
At fair value				
Contingent consideration	**86,906**	53,048	**–**	–
Total financial liabilities	**456,901**	379,563	**79,990**	51,474
Net	**(305,046)**	**(283,727)**	**(32,855)**	**6,747**

* see note 27

Financial instruments evaluated at fair value can be classified according to the following valuation hierarchy, which reflects the extent to which the fair value is observable:

- Level 1: fair value evaluations using prices listed on active markets (not adjusted) of identical assets or liabilities.
- Level 2: fair value evaluations using input data for the asset or liability that are either directly observable (as prices) or indirectly observable (derived from prices), but which do not constitute listed prices pursuant to Level 1.
- Level 3: fair value evaluations using input data for the asset or liability that are not based on observable market data (unobservable input data).

The contingent consideration has been valued using Level 3. The contingent consideration comprises:

- Contingent consideration relating to the acquisition of Amryt GmbH (see Note 6, *Business combinations and asset acquisitions*) that was measured at US$86,906,000 as at 31 December 2020 (2019: US$53,048,000). The fair value comprises royalty payments which was determined using probability weighted revenue forecasts and the fair value of the milestones payments which was determined using probability adjusted present values. It also included a revision to the discount rate used, and revenue and costs forecasts have been amended to reflect management's current expectations.

Impact of key unobservable input data

- An increase of 10% in estimated revenue forecasts would result in an increase to the fair value of US$6,079,000. A decrease would have the opposite effect.
- A 5% increase in the discount factor used would result in a decrease to the fair value of US$15,656,000. A decrease of 5% would result in an increase to the fair value of US$20,965,000.
- A six-month delay in the launch date for Oleogel-S10 would result in a decrease to the fair value of US$8,667,000.

There were no transfers between Level 1, Level 2 and Level 3 during the years ended 31 December 2020 and 2019.

Policies and Objectives

The Group and Company'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 and Company's finance function. The main policies for managing these risks are as follows:

Liquidity risk

The Group and Company are not subject to any externally imposed capital requirement. Accordingly, the Group and Company's objectives 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 and Company has sufficient funds to complete contracted work commitments.

The following table shows the maturity profile of financial liabilities of the Group:

	31 December 2020							
	Carrying amount US$'000	Contractual cash flows US$'000	6 months or less US$'000	6 months - 12 months US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
Trade payables and accrued expenses	89,300	89,300	89,300	–	–	–	–	89,300
Lease liabilities	5,532	8,820	525	525	1,096	2,676	3,998	8,820
Other liabilities	25,358	25,375	3,993	–	21,382	–	–	25,375
Long term loan	87,302	136,723	2,901	3,046	6,349	124,427	–	136,723
Convertible notes	101,086	153,125	3,125	3,125	6,250	140,625	–	153,125
Contingent consideration and contingent value rights**	148,323	127,991	–	62,283	–	65,708	–	127,991
	456,901	541,334	99,844	68,979	35,077	333,436	3,998	541,334

** Contingent consideration contractual cash flows do not include royalty payments due to be paid by Amryt, which are dependent on sales of Oleogel-S10 products. The carrying amount of contingent consideration is recorded at fair value, which incorporates the estimated royalty payments on sales of Oleogel-S10 products.

Notes to the Financial Statements continued

For the year ended 31 December 2020

31 December 2019								
	Carrying amount US$'000	Contractual cash flows US$'000	6 months or less US$'000	6 months - 12 months US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
Trade payables and accrued expenses, as restated*	77,555	77,555	77,555	–	–	–	–	77,555
Lease liabilities	1,624	2,048	484	485	601	458	20	2,048
Other liabilities, as restated*	19,457	19,650	7,584	8,138	3,928	–	–	19,650
Long term loan	81,610	142,308	2,732	2,853	5,947	130,776	–	142,308
Convertible notes	96,856	159,497	3,247	3,125	6,250	18,750	128,125	159,497
Contingent consideration and contingent value rights**	102,461	127,557	–	–	50,000	49,559	27,998	127,557
	379,563	**528,615**	**91,602**	**14,601**	**66,726**	**199,543**	**156,143**	**528,615**

* see note 27

** Contingent consideration contractual cash flows do not include royalty payments due to be paid by Amryt, which are dependent on sales of Oleogel-S10 products. The carrying amount of contingent consideration is recorded at fair value, which incorporates the estimated royalty payments on sales of Oleogel-S10 products.

The following table shows the maturity profile of financial liabilities of the Company:

31 December 2020								
	Carrying amount US$'000	Contractual cash flows US$'000	6 months or less US$'000	6 months - 12 months US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
Trade payables and accrued expenses	**3,636**	**3,636**	**3,636**	–	–	–	–	**3,636**
Intercompany payables	**14,937**	**14,937**	**14,937**	–	–	–	–	**14,937**
Contingent value rights	**61,417**	**85,000**	–	**50,000**	–	**35,000**	–	**85,000**
	79,990	**103,573**	**18,573**	**50,000**	–	**35,000**	–	**103,573**

	31 December 2019							
	Carrying amount US$'000	Contractual cash flows US$'000	6 months or less US$'000	6 months - 12 months US$'000	1-2 years US$'000	2-5 years US$'000	> 5 years US$'000	Total US$'000
Trade payables and accrued expenses	1,381	1,381	1,381	–	–	–	–	1,381
Intercompany payables	680	680	680	–	–	–	–	680
Contingent value rights	49,413	85,000	–	–	50,000	35,000	–	85,000
	51,474	**87,061**	**2,061**	**–**	**50,000**	**35,000**	**–**	**87,061**

Capital management

The Group and Company considers its capital to be its ordinary share capital, share premium, other reserves and accumulated deficit. The Group and Company 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 and Company 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 and Company 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 years ended 31 December 2020 and 31 December 2019.

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 of Directors reviews the currency profile of cash balances and managements accounts.

It is the Group's policy to enter into long term borrowings at fixed rates of interest where possible to reduce the Group's exposure to cash flow interest rate risk. During the years ended 31 December 2020 and 31 December 2019, the long term borrowings of the Group were subject to fixed rates of interest.

During the year 2020, the Group earned interest on its interest-bearing financial assets at rates between 0% and 1%. The effect of a 1% change in interest rates obtainable during the year on cash and on short-term deposits would be to increase or decrease the Group loss before tax by US$174,000 (2019: US$71,000).

In addition to cash balances maintained in US$, the Group had balances in £ and € amongst others at year-end. A theoretical 10% adverse movement in the year end €:US$ exchange rate would lead to an increase in the Group loss before tax by US$2,228,000 with a corresponding reduction in the Group loss before tax with a 10% favourable movement. A theoretical 10% adverse movement in £:US$ exchange rates would lead to an increase in the Group loss before tax by US$120,000 with a corresponding reduction in the Group loss before tax with a 10% favourable movement.

Credit risk

The Group and Company have no significant concentrations of credit risk. Exposure to credit risk is monitored on an ongoing basis. If necessary, the Group maintains specific provisions for potential credit losses. To date there has been no requirement for

Notes to the Financial Statements continued

For the year ended 31 December 2020

such provisions. The Group maintains cash and cash equivalents with various financial institutions. The Group performs regular and detailed evaluations of these financial institutions to assess their relative credit standing. The carrying amount reported in the balance sheet for cash and cash equivalents approximate their fair value. 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's bankers. For cash and cash equivalents, the Group only uses recognised banks with high credit ratings.

Credit risk related to customers is managed through risk assessment procedures, through assessment of credit quality, taking into account the financial position of the customer, past experience and other factors. The compliance with credit terms is monitored on a regular basis by management. Credit terms may vary from one month to several months depending on the region and customer. The major customers contribute to 42% of the total trade receivables of the group outstanding as at 31 December 2020 (2019: 44%).

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

25. Commitments and contingencies

Contingent consideration and contingent value rights

See Note 6, *Business combinations and asset acquisitions*, in relation to contingent consideration and contingent value rights as a result of the acquisition of Amryt GmbH and Aegerion.

License Agreements

In connection with metreleptin, the Group has license agreements for the exclusive license and patents for the use of metreleptin to develop, manufacture and commercialise a preparation containing metreleptin. Under the license agreements the Group is required to make royalty payments on net sales on a country-by-country basis. During the year ended 31 December 2020, following the Aegerion acquisition on 24 September 2019, the Group recorded aggregate royalty expenses to third parties of US$20,492,000 (2019: US$5,104,000).

The Group holds a license agreement for the exclusive, worldwide license of certain know-how and a range of patent rights applicable to lomitapide. The Group is obligated to use commercially reasonable efforts to develop, commercialise, market and sell at least one product covered by the licensed patent right, such as lomitapide. Additionally, the Group is required to make royalty payments on net sales of products. During the year ended 31 December 2020, following the Aegerion acquisition on 24 September 2019, the Group recorded aggregate royalty expenses to third parties of US$2,026,000 (2019: US$803,000).

The Group entered into a license agreement for the exclusive, worldwide license to the patent rights for a novel polymer-based topical gene therapy delivery platform for potential use in the treatment of rare genetic diseases. The first product candidate utilising this platform, AP103, is currently in preclinical development for the treatment of recessive dystrophic EB, a subset of severe EB. Under the license agreement Amryt is required to pay milestone payments and, upon the sale of product, royalty payments on net sales of products.

The Group entered into a license agreement for the non-exclusive, worldwide license to the patent rights for the design and development of gene coded therapy vectors and methods for making such vectors, in order for Amryt to develop and commercialise

its genetic encoded therapies relating to AP103. Under this agreement Amryt is required to make milestone payments and royalty payments on net sales of products.

The Group is party to a license agreement for the exclusive license of certain know-how and a range of patent rights in order for Amryt to develop and commercialise its genetic encoded therapies relating to AP104. Under this agreement Amryt is required to make royalty payments on net sales of products.

Legal matters

Prior to the acquisition of Aegerion by Amryt, Aegerion entered into settlement agreements with governmental entities including the Department of Justice ("DOJ") and the FDA in connection with Juxtapid investigations. The settlement agreements require Aegerion to pay specified fines and engage in regulatory compliance efforts. Subsequent to the acquisition, Aegerion made US$19,108,000 of settlement payments, including interest. The settlements remaining to be paid are due for payment in Q1 2021 and the amount totalling US$3,976,000 is recognised in Other liabilities as a current liability (2019: US$15,547,000). There is no non-current liability at 31 December 2020 (2019: US$3,910,000).

Other matters

The Group recognises a liability for legal contingencies when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. The Group reviews these accruals and adjusts them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel and other relevant information. To the extent new information is obtained and the Group's views on the probable outcomes of claims, suits, assessments, investigations or legal proceedings change, changes in the Group's liability accrual would be recorded in the period in which such determination is made. At 31 December 2020 the Group had recognised liabilities of US$6,000,000 in relation to ongoing legal matters (2019 US$7,757,000, as restated, see Note 27, *Restatement of prior year comparatives*).

The Group has a liability for revenue rebates due on Myalepta sales in a country in the EMEA region from agreeing a reimbursement price with the government authorities resulting in a one-off payment related to sales to date. The Group has recognised a liability of US$21,382,000 as at 31 December 2020, and the final payment is due to be paid to the authorities in July 2022.

Lease commitments

The Group and Company had no finance lease commitments in 2020 (2019: nil). See Note 24, *Fair value measurement and financial risk management* for details on operating lease commitments.

26. Investment in subsidiaries

	Total US$'000
Cost	
At date of incorporation	–
Additions	280,962
At 31 December 2019	**280,962**
Additions	60,973
At 31 December 2020	**341,935**
Impairment	
At date of incorporation	**–**
Impairment charge	–
At 31 December 2019	**–**
Impairment charge	–
At 31 December 2020	**–**
Net book value	
At 31 December 2019	**280,962**
At 31 December 2020	**341,935**

Notes to the Financial Statements continued

For the year ended 31 December 2020

During the year ended 31 December 2020, the Company provided a capital contribution of US$56,059,000 to its immediate subsidiary Amryt Pharma Holdings Limited. Additions also include the value of share options relating to employees of subsidiaries, the cost of which recognised in investments in subsidiaries, see Note 5, *Share based payments*, for more details.

The carrying value of the investments are directly linked to the subsidiaries of Amryt Pharma Holdings Limited including the portfolio owned by Aegerion Pharmaceuticals Inc. and Amryt Pharmaceuticals DAC. The carrying value of these investments are held at cost and will be reviewed at each reporting date for indicators of impairment. No impairment was identified by management during the year (2019: nil).

List of subsidiary companies:

Subsidiary	Ownership	Activities	Company number	Incorporation	2020 % holding	2019 % holding
Amryt Pharma Holdings Limited	Direct	Holding company and management services	5316808	UK	100	100
Amryt Pharmaceuticals DAC	Indirect	Product Sales and management services	566448	Ireland	100	100
Amryt Research Limited	Indirect	Pharmaceuticals R&D	571411	Ireland	100	100
Amryt Endocrinology Limited	Indirect	Pharmaceuticals R&D	572984	Ireland	100	100
Amryt Lipidology Limited	Indirect	Licensee for Lojuxta	593833	Ireland	100	100
Amryt Genetics Limited	Indirect	Pharmaceutical R&D	622577	Ireland	100	100
Amryt Pharma (UK) Limited	Indirect	Management services	10463152	UK	100	100
Amryt Pharma Italy SRL	Indirect	Management services	2109476	Italy	100	100
Amryt Pharma Spain SL	Indirect	Management services	B67130567	Spain	100	100
Amryt GmbH (formerly Amryt AG)	Indirect	Product Sales and Pharmaceuticals R&D	HRB 711487	Germany	100	100
SomPharmaceuticals SA	Indirect	Pharmaceuticals R&D and management services	CHE-435. 396.568	Switzerland	100	100
SomTherapeutics, Corp	Indirect	License holder	P14000071235	USA	100	100
Cala Medical Limited	Indirect	Pharmaceuticals R&D	598486	Ireland	100	NA
Amryt Distribution Limited	Indirect	Dormant	667507	Ireland	100	100
Amryt Pharmaceuticals Inc.	Indirect	Holding company and management services	3922075	USA	100	100
Aegerion International Ltd.	Indirect	Management services	52048	Bermuda	100	100
Aegerion Pharmaceuticals Holdings, Inc.	Indirect	Product Sales Management services	5213687	USA	100	100
Aegerion Argentina S.R.L.	Indirect	Management services	901-709682-0	Argentina	100	100
Aegerion Pharmaceuticals (Canada) Limited	Indirect	Management services	85134 5132 RT0001	Canada	100	100
Amryt Colombia S.A.S. (formerly Aegerion Colombia S.A.S)	Indirect	Management services	R048196625	Colombia	100	100

Subsidiary	Ownership	Activities	Company number	Incorporation	2020 % holding	2019 % holding
Aegerion Pharmaceuticals K.K. (Recently liquidated)	Indirect	Management services	0104-01-107816	Japan	100	100
Aegerion Brasil Comercio E Importacao De Medicamentos LTDA	Indirect	Management services	3522602510-1	Brazil	100	100
Aegerion Pharmaceuticals Ltd.	Indirect	Management services	46134	Bermuda	100	100
Aegerion Pharmaceuticals Limited	Indirect	Management services	8114919	UK	100	100
Amryt Pharmaceuticals SAS (formerly Aegerion Pharmaceuticals, SAS)*	Indirect	Management services	534 195 59900012	France	100	100
Aegerion Pharmaceuticals S.r.l.	Indirect	Management services	1166250	Italy	100	100
Amryt Pharma GmbH (formerly Aegerion Pharmaceuticals GmbH)	Indirect	Management services	HRB 95895	Germany	100	100
Aegerion İlaç Ticaret Limited Şirketi	Indirect	Management services	907292	Turkey	100	100
Aegerion Pharmaceuticals SARL	Indirect	Management services	CHE-497.494.599	Switzerland	100	100
Aegerion Pharmaceuticals B.V.	Indirect	Management services	69859647	Netherlands	100	100
Aegerion Pharmaceuticals Spain, S.L.	Indirect	Management services	B88019161	Spain	100	100

* Amryt Pharma France, a dormant group subsidiary merged with Amryt Pharmaceuticals SAS (formerly Aegerion Pharmaceuticals, SAS) during the year.

List of registered offices:

Company	Registered Office Address
Amryt Pharma Holdings Limited	Dept 920a 196 High Road, Wood Green, London, United Kingdom, N22 8HH
Amryt Pharmaceuticals DAC	45 Mespil road, Dublin 4
Amryt Research Limited	45 Mespil road, Dublin 4
Amryt Endocrinology Limited	45 Mespil road, Dublin 4
Amryt Lipidology Limited	45 Mespil road, Dublin 4
Amryt Genetics Limited	45 Mespil road, Dublin 4
Amryt Pharma (UK) Limited	3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT
Amryt Pharma Italy SRL	Milano (MI)-Via Dell'Annunciata 23/4

Notes to the Financial Statements continued

For the year ended 31 December 2020

Company	Registered Office Address
Amryt Pharma Spain SL	Barcelona, calle Diputacio, number 260
Amryt GmbH (formerly Amryt AG)	Streiflingsweg 11, 75223 Niefern-Öschelbronn
SomPharmaceuticals SA	Bahnofstrasse 21, 6300 Zug
SomTherapeutics, Corp	3795 Coventry Lane, Boca Raton, FL 33496
Cala Medical Limited	45 Mespil road, Dublin 4
Amryt Distribution Limited	45 Mespil road, Dublin 4
Amryt Pharmaceuticals Inc.	245 First Street, Riverview II, 18th Floor, Cambridge, MA 02142
Aegerion International Ltd.	Clarendon House, 2 Church Street, Hamilton, HM11
Aegerion Pharmaceuticals Holdings, Inc.	245 First Street, Riverview II, 18th Floor, Cambridge, MA 02142
Aegerion Argentina S.R.L.	Avda. Camacua 421, Suite 102, Olivos, Vicente Lopez, 1636
Aegerion Pharmaceuticals (Canada) Limited	5300 Commerce Court West, 199 Bay Street, Toronto, ON M5L 1B9
Amryt Colombia S.A.S. (formerly Aegerion Colombia S.A.S)	CR 12 89 33 P 5, Bogota DC, Bogota 110111
Aegerion Pharmaceuticals K.K. (Recently liquidated)	12F, Ark Mori Building, 1-12-32 Akasaka, Minato-ku, Tokyo
Aegerion Brasil Comercio E Importacao De Medicamentos LTDA	Rua Joseefina, 200-Guarulhos City, Sao Paulo
Aegerion Pharmaceuticals Ltd.	Clarendon House, 2 Church Street, Hamilton, HM11
Aegerion Pharmaceuticals Limited	C/O Corporation Service Company (Uk) Limited 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU
Amryt Pharmaceuticals SAS (formerly Aegerion Pharmaceuticals, SAS)	235, Avenue Le Jour se Leve, Boulogne-Billancourt, 92 100
Aegerion Pharmaceuticals S.r.l.	Viale Abruzzi n. 94, Milano, 20131
Amryt Pharma GmbH (formerly Aegerion Pharmaceuticals GmbH)	Streiflingsweg 4, 75223 NiefernÖschelbronn, Germany.
Aegerion İlaç Ticaret Limited Şirketi	Orjin Maslak, Eski Buyukdere Caddesi No: 27 K:11, Maslak, Istanbul, 34485
Aegerion Pharmaceuticals SARL	Rue de Pontets 6, Lavigny, Switzerland 1175
Aegerion Pharmaceuticals B.V.	Atrium Building, 8th Floor, Strawinskylaan 3127, 8e verdieping, Amsterdam
Aegerion Pharmaceuticals Spain, S.L.	Calle Josep Coroleu, 83 2-2, Vilanova I la Geltru, Barcelona 08800

27. Restatement of prior year comparatives

As described in Note 6, *Business combinations and asset acquisitions*, IFRS 3 requires fair value adjustments to be recorded with effect from the date of acquisition and consequently result in the restatement of previously reported financial results. The impact on the Consolidated Statement of Financial Position as at 31 December 2019 is shown below:

	As previously reported US$'000	Adjustments US$'000	Note	As restated US$'000
Assets				
Non-current assets				
Goodwill	30,813	(11,682)	27a	19,131
Intangible assets	350,953	(8,626)	27b	342,327
Property, plant and equipment	3,036	–		3,036
Other non-current assets	2,306	(433)	27c	1,873
Total non-current assets	**387,108**	**(20,741)**		**366,367**
Current assets				
Trade and other receivables	36,387	(887)	27c	35,500
Inventories	43,623	14,377	27d	58,000
Cash and cash equivalents, including restricted cash	67,229	–		67,229
Total current assets	**147,239**	**13,490**		**160,729**
Total assets	**534,347**	**(7,251)**		**527,096**
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	11,918	–		11,918
Share premium	2,422	–		2,422
Other reserves	248,656	(26)		248,630
Accumulated deficit	(133,674)	2,537		(131,137)
Total equity	**129,322**	**2,511**		**131,833**
Non-current liabilities				
Contingent consideration and contingent value rights	102,461	–		102,461
Deferred tax liability	18,921	(11,774)	27e	7,147
Long term loan	81,610	–		81,610
Convertible notes	96,856	–		96,856
Provisions and other liabilities	4,963	–		4,963
Total non-current liabilities	**304,811**	**(11,774)**		**293,037**
Current liabilities				
Trade and other payables	76,596	1,755	27c	78,351
Provisions and other liabilities	23,618	257	27c	23,875
Total current liabilities	**100,214**	**2,012**		**102,226**
Total liabilities	**405,025**	**(9,762)**		**395,263**
Total equity and liabilities	**534,347**	**(7,251)**		**527,096**

Notes to the Financial Statements continued

For the year ended 31 December 2020

The above adjustments to the consolidated statement of financial position relate to the completion of the fair value assignment to identifiable assets and liabilities acquired as part of the Aegerion acquisition, the following adjustments have been reflected in the consolidated financial statements:

a) The adjustments to goodwill are a consequence of the fair value adjustments described in more detail below, which primarily relate to the measurement of intangible assets, valuation of inventory and associated deferred tax liabilities.

b) The fair value of intangible assets acquired, consisting of developed technology for metreleptin and lomitapide, was adjusted as a consequence of the detailed review and update to the expected future usage of inventory, the valuation of which was a factor in determining the fair value of acquired developed technology. See more detail on the update to the inventory valuation below.

c) Accruals, provisions, and prepayments as at the acquisition date were reviewed during the twelve months following the acquisition and the fair values as at the acquisition date were updated based on the results of a review of the conditions that existed at this date.

d) Fair value of inventory recognised at the date of acquisition was updated to reflect the results of detailed reviews of both raw material and finished good acquired. This involved a review the expected timing of transition from usage of acquired finished goods to usage of new inventory, including the review of expected timing of manufacture runs and the review of expected inventory usage. Additionally, a review was conducted on the demand and production that would be saleable in the future. The review resulted in a change in the assumptions and estimates regarding the usage of acquired inventory, leading to an increase in the estimated usage of acquired inventory and consequently resulting in an increase in the fair value of acquired inventory.

e) Deferred tax was updated to reflect the above changes to the fair value of the inventory and of intangible assets. In addition, deferred tax was updated to reflect the results of a review of the historic tax basis of U.S. intangible assets included in the Aegerion acquisition. This review identified that the tax basis of the asset in question was understated at the time of the acquisition. The closing deferred tax liability as of 31 December 2019 was adjusted for the correct tax basis.

As noted above, IFRS 3 requires fair value adjustments to be recorded as if the accounting for the business combination had been completed at the acquisition date. Consequently, the comparative information for prior periods presented in financial statements were revised, including changes in inventory fair value step-up amortisation, intangible amortisation and deferred tax effects recognised in completing the acquisition accounting.

The impact on the Consolidated Statement of Comprehensive Loss of the fair value adjustments for the year ended 31 December 2019 is shown below:

	As previously reported US$'000	Adjustments US$'000	Note	As restated US$'000
Revenue	58,124	–		58,124
Cost of sales	(42,001)	3,268	27f	(38,733)
Gross profit	16,123	3,268		19,391
Research and development expenses	(15,827)	–		(15,827)
Selling, general and administrative expenses	(35,498)	–		(35,498)
Restructuring and acquisition costs	(13,038)	–		(13,038)
Share based payment expenses	(841)	–		(841)
Impairment charge	(4,670)	–		(4,670)
Operating loss before finance expense	**(53,751)**	**3,268**		**(50,483)**
Non-cash change in fair value of contingent consideration	(6,740)	–		(6,740)
Non-cash contingent value rights finance expense	(1,511)	–		(1,511)
Net finance expense - other	(4,759)	–		(4,759)
Loss on ordinary activities before taxation	**(66,761)**	**3,268**		**(63,493)**
Tax credit on loss on ordinary activities	1,226	(731)	27g	495
Loss for the year attributable to the equity holders of the Company	**(65,535)**	**2,537**		**(62,998)**
Exchange translation differences which may be reclassified through profit or loss	781	(26)		755
Total other comprehensive income	**781**	**(26)**		**755**
Total comprehensive loss for the year attributable to the equity holders of the Company	**(64,754)**	**2,511**		**(62,243)**
Loss per share				
Loss per share - basic and diluted, attributable to ordinary equity holders of the parent (US$)	(0.86)			(0.83)

The above adjustments relate to the impact on the consolidated statement of comprehensive loss as result of the fair value adjustments following the completion of the fair value assignment to identifiable assets and liabilities acquired as part of the Aegerion acquisition.

Non-cash adjustments to the statement of comprehensive loss:

f) Cost of sales has been adjusted for the impact on the non-cash amortisation of inventory fair value step-up and acquired intangibles, for the period from the date of acquisition to the year end, as a result of the update to acquired inventory and intangible fair values following the finalisation of acquisition accounting for the Aegerion acquisition. See Note 27b and 27d, above, for further detail on the fair value adjustments to acquired inventory and intangible.

g) As a result of a change in the measurement of the deferred tax liability at the acquisition date, there was a non-cash adjustment to the tax charge for the period from the date of acquisition to the year end.

Notes to the Financial Statements continued

For the year ended 31 December 2020

28. Events after the reporting period

Mergers and acquisitions

On 5 May 2021, Amryt announced that it had signed a definitive agreement to acquire Chiasma, Inc. ("Chiasma") in an all-stock combination. The combined company will be a global leader in rare and orphan diseases with three on-market commercial products, a global commercial and operational footprint and a significant development pipeline of therapies with the financial flexibility to execute its growth plans. The transaction has been approved and recommended by the Boards of both Amryt and Chiasma.

Under the terms of the transaction, each share of Chiasma common stock issued and outstanding prior to the consummation of the transaction will be exchanged for 0.396 Amryt ADSs, each representing five Amryt ordinary shares. As of the close of trading on 4 May 2021 Amryt's ordinary shares on AIM were £2.00 ($2.78) per share and Amryt's ADS's on NASDAQ were $12.95 (£9.31) per ADS.

Development Pipeline

Amryt will seek a Priority Review Voucher ("PRV") as part of the Oleogel-S10 NDA submission which if granted, we can sell, transfer or use to accelerate the approval of a future Amryt NDA. However, to be eligible for a PRV, Oleogel-S10 must have a Pediatric Rare Disease Designation from the FDA, be granted a priority review by FDA, and ultimately the NDA must be approved by the FDA. Amryt was granted a Pediatric Rare Disease Designation by the FDA in August 2018. On 2 June 2021, the NDA was accepted by the FDA and on 3 June 2021, a priority review for the NDA was granted by the FDA.

There were no other significant events since the end of the reporting period.

Company Information

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United Kingdom

Company Number

12107859

Directors

Ray Stafford (Non-Executive Chairman)
Dr. Joe A. Wiley (Chief Executive Officer)
George P. Hampton Jr. (Non-Executive Director)
Dr. Alain H. Munoz (Non-Executive Director)
Donald K. Stern (Non-Executive Director)
Dr. Patrick V.J.J. Vink (Non-Executive Director)
Stephen T. Wills (Non-Executive Director)

Company Secretary

Rory Nealon

Company Website

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