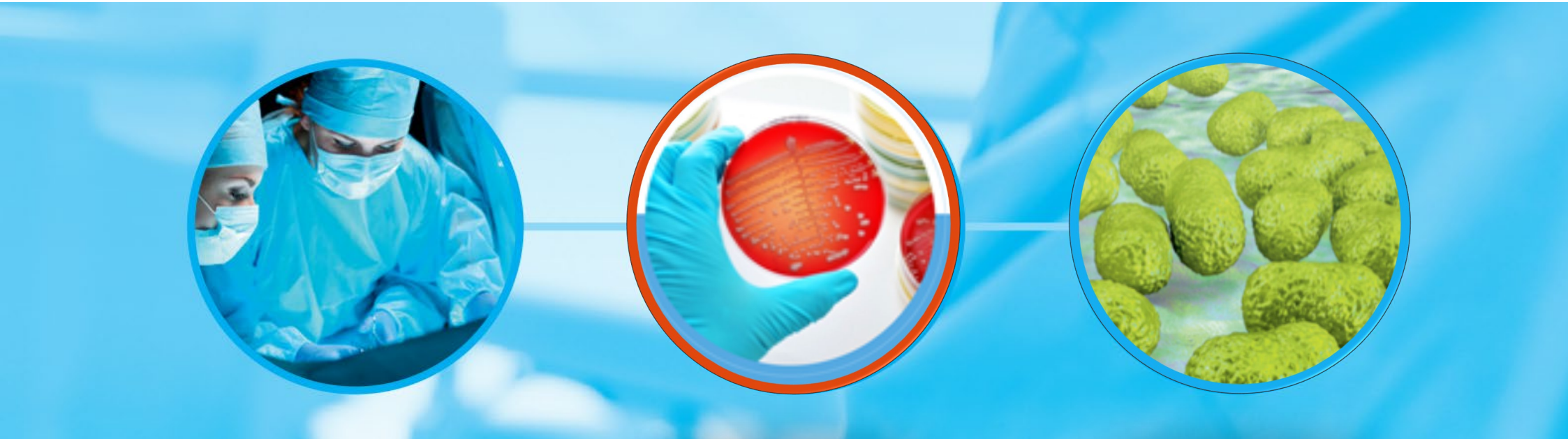
Destiny Pharma

Developing Novel Medicines that Prevent Serious Infections

2021 Interim Financial Results

9 September 2021
Destiny Pharma plc



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Destiny Pharma's 5 Year Plan

"Prevention is better than cure"

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Destiny at a Glance

Two late-stage clinical assets addressing areas of high unmet need
- NTCD-M3 to prevent *C. difficile* recurrence
- XF-73 to prevent post-surgical infections (Fast Track and QIDP)

Assets targeting large markets with clear differentiation from competition
- NTCD-M3 demonstrated only a 5% rate of recurrence in Ph 2
- XF-73 label would be first approved product in indication in US

Earlier Pipeline focused on COVID-19 and XF platform to prevent bacterial infections well funded by grants

Cash runway through to Q4 2022

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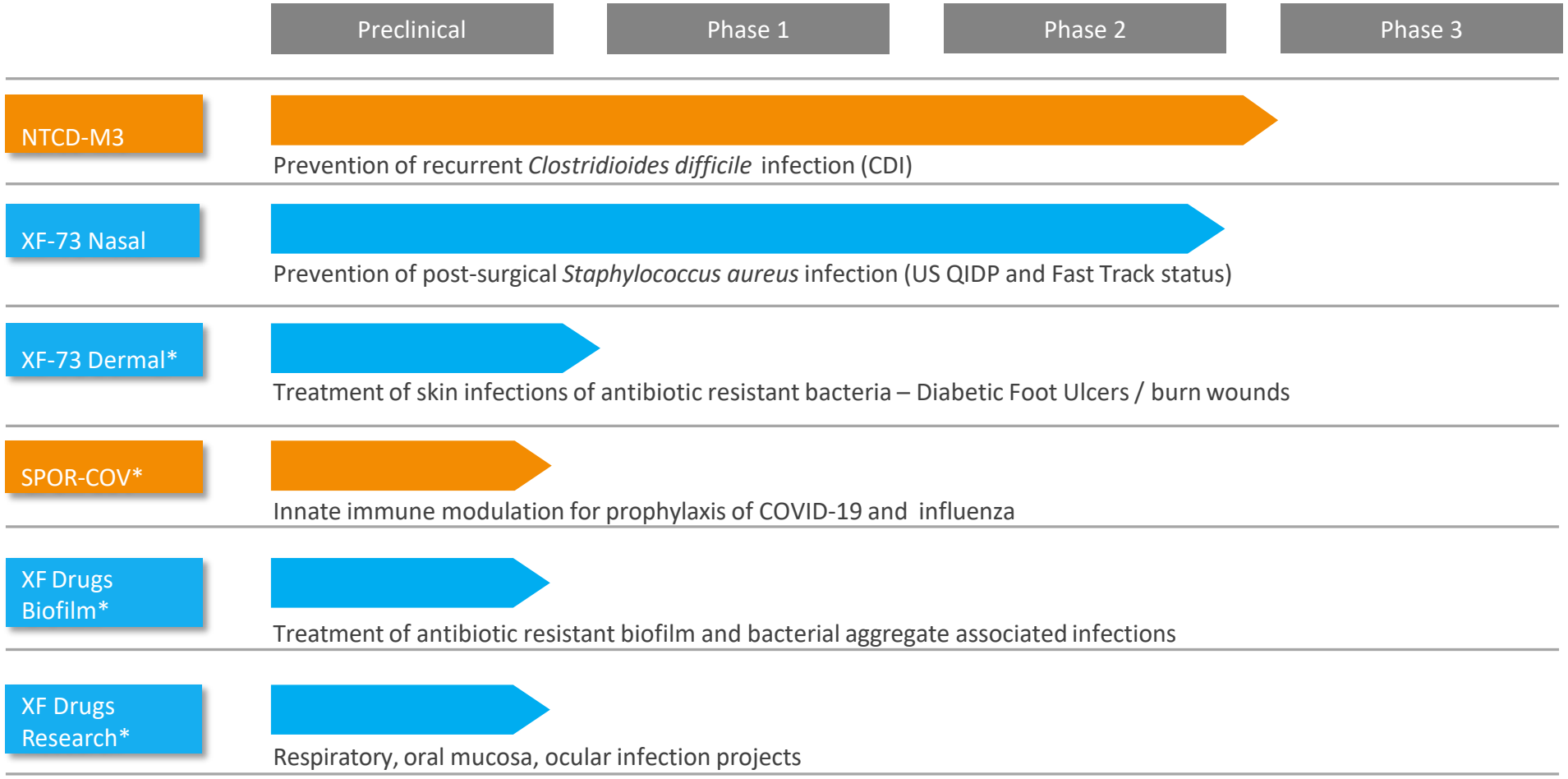
Pipeline of Novel Medicines to Prevent Infections



SPOR-COV is collaboration with SporeGen Ltd
NTCD-M3 in-licensed in 2020
China regional rights to the XF platform licensed to China Medical Systems
* Grant supported projects >£2.5m received. Working in partnership with University groups and medical schools.

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Highlights: Interims 2021

Operational highlights

XF-73 nasal gel for prevention of post-surgical infections

- Positive clinical results announced from Phase 2b clinical trial; Primary endpoint met
- Secondary endpoint analysis shows XF-73 exhibited a sustained nasal reduction in S. *aureus*
- XF-73 nasal Phase 3 study design options progressing with FDA and EMA

NTCD-M3 for prevention of C. difficile infection recurrence

- Good progress in Phase 3 study preparation and manufacturing scale up
- Independent US/EU market report supports market positioning and pricing strategies
- Encouraging interest from potential licencing partners

Earlier pipeline and research products

- SporCov Covid-19 research project expected to complete at end of 2021
- Earlier pipeline projects progressing well; two new non-dilutive funding collaborations signed

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Highlights (cont'd)

Financial highlights

- Cash and term deposits at 30 June 2021 of £7.1 million (30 June 2020: £5.6 million; 31 Dec 2020: £9.7 million)
- Net assets of £10.2 million at 30 June 2021 (30 June 2020: £5.4 million; 31 Dec 2020: £12.4 million)
- Expenditure on R&D in the period of £2.0 million (half year 2020: £2.3 million; full year 2020: £4.5 million)
- Funded through to Q4 2022

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Financial highlights

Statement of comprehensive income

	6 months ended 30 June 2021 Unaudited £	6 months ended 30 June 2020 Unaudited £	Year ended 31 Dec 2020 Audited £
Continuing operations			
Administrative expenses	**(2,898,724)**	(2,912,801)	(6,425,471)
Other operating income	**122,555**	12,450	12,450
Share based payment expense	**(210,549)**	(58,668)	(139,491)
Operating loss	**(2,986,718)**	(2,959,019)	(6,552,512)
Finance income	**8,905**	13,470	71,611
Loss before tax	**(2,977,813)**	(2,945,549)	(6,480,901)
Taxation	**489,235**	515,378	1,069,824
Loss from continuing operations	**(2,488,578)**	(2,430,171)	(5,411,077)
Loss per share (basic and diluted)	**(4.2)p**	(5.5)p	(12.0)p

Highlights:

- Loss before tax of £3.0M (H1 2020: £2.9M)

Key drivers

- R&D spend of £2.0M (H1 2020: £2.3M)
  - reduced XF-73 Phase 2B study costs partly offset by NTCD-M3 programme costs
- Admin costs £0.9M (H1 2020: £0.6M)
  - additional staff recruited
  - increased business development activity

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Financial highlights
Statement of financial position

	30 June 2021 Unaudited £	30 June 2020 Unaudited £	31 Dec 2020 Audited £
Assets			
Non-current assets	**2,301,321**	25,764	2,279,576
Current assets:			
Receivables and prepayments	**1,154,638**	607,939	1,680,766
Cash and cash equivalents	**7,058,284**	5,571,631	9,744,217
Total assets	**10,514,243**	6,205,334	13,704,559
Equity and liabilities			
Equity			
Share capital and premium	**27,690,085**	17,734,989	27,683,675
Accumulated losses	**(17,525,279)**	(12,347,167)	(15,247,250)
Shareholders' equity	**10,164,806**	5,387,822	12,436,425
Liabilities			
Current liabilities	**349,437**	817,512	1,268,134
Total equity and liabilities	**10,514,243**	6,205,334	13,704,559

Highlights:

- Net assets of £10.2M (30 June 2020: £5.4M)
- Net cash outflow of £2.7M (H1 2020: £1.9M) resulting in net cash at 30 June of £7.1M
- 2020 R&D tax credit of £1.1M received during the period
- Company remains funded through to Q4 2022

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NTCD-M3 – Prevention of *C. difficile* Infection Recurrence

Economic burden of CDI

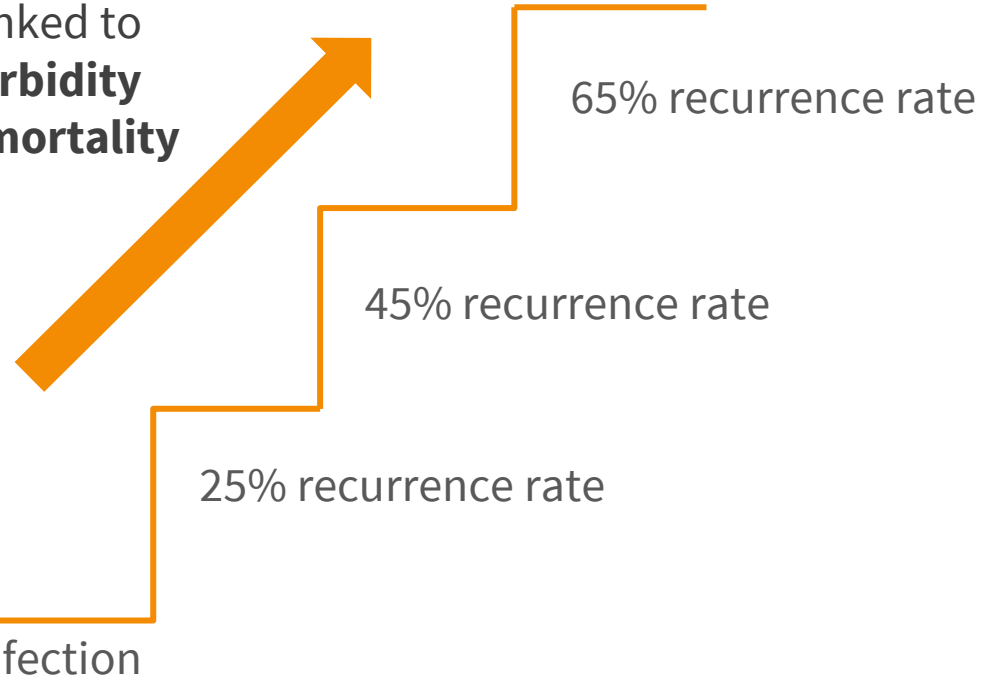
~500K cases of CDI in US/yr (1 million US/EU)

29,000 deaths US/ yr

$6 billion healthcare burden US/ yr

Risk of recurrence escalates with each episode

Recurrence linked to **increased morbidity** and **increased mortality**



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NTCD-M3 – Mode of Action harnesses the microbiome

- NTCD-M3 is a naturally occurring bacterial spore – a non-toxigenic strain of *C. difficile* (REA type M3) isolated from an asymptomatic patient
- NTCD-M3 acts as a safe 'ground cover' preventing toxic strains of *C. difficile* proliferating in the colon after antibiotic treatment
- NTCD-M3 lacks the genes that can express *C. difficile* toxins
- Patients colonized with NTCD-M3 were found to be protected from CDI
- NTCD-M3 temporarily colonizes the human gut without causing any symptoms and enables the gut microbiome to recover

See Gerding DN *et al* JAMA 2015;313:1719, May 5,2015

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NTCD-M3 Compelling Phase 2 Data & Phase 3 Plan

Prevention of C. difficile infection recurrence

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Phase 2	NTCD-M3 v. Placebo Randomised, double blind trial in 173 patients (>18 yrs) diagnosed with CDI (1st episode or 1st recurrence) and treated with antibiotics Statistically significant results: **5%** Rate of recurrence (RR) of CDI with NTCD-M3 (versus 30% with placebo) p<0.01 (For comparison, Zinplava 17% RR, expensive infusion, approved for prevention of recurrence) Rapid onset of colonisation with NTCD-M3 which provides protection during early post-treatment period = ideal complement to antibiotic treatments or vaccine
Phase 3 plan	FDA agreement on Phase 3 design (July 2020) 1 randomized, double blind, placebo-controlled trial in 800 patients (550 NTCD-M3 v. 250 placebo) Primary endpoint: Rate of recurrence of CDI at 6 weeks post-treatment Population: Adults treated with antibiotics for 1st episode or 1st recurrence Regimen: Oral capsule (10^7 spores) once daily for 7 days starting after last antibiotic course Sampling to confirm NTCD-M3 colonization, assess changes in faecal microbiome during treatment with NTCD-M3, document recurrence of CDI

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NTCD-M3 Addresses a Clear Unmet Need

- Clinical data in reducing Rate of Recurrence appears superior to current antibiotics and products in development
- Can be used as an adjunct to all SOC antibiotic therapy
- Strong safety profile, rapidly effective, simple once daily oral capsule administration
- No permanent alteration of microbiota – cleared from the microbiome within 22 weeks which indicates recovery of the patient's own microbiome
- Low cost of goods, long shelf life
- Lifecycle management: Primary Prevention indication – significant market opportunity

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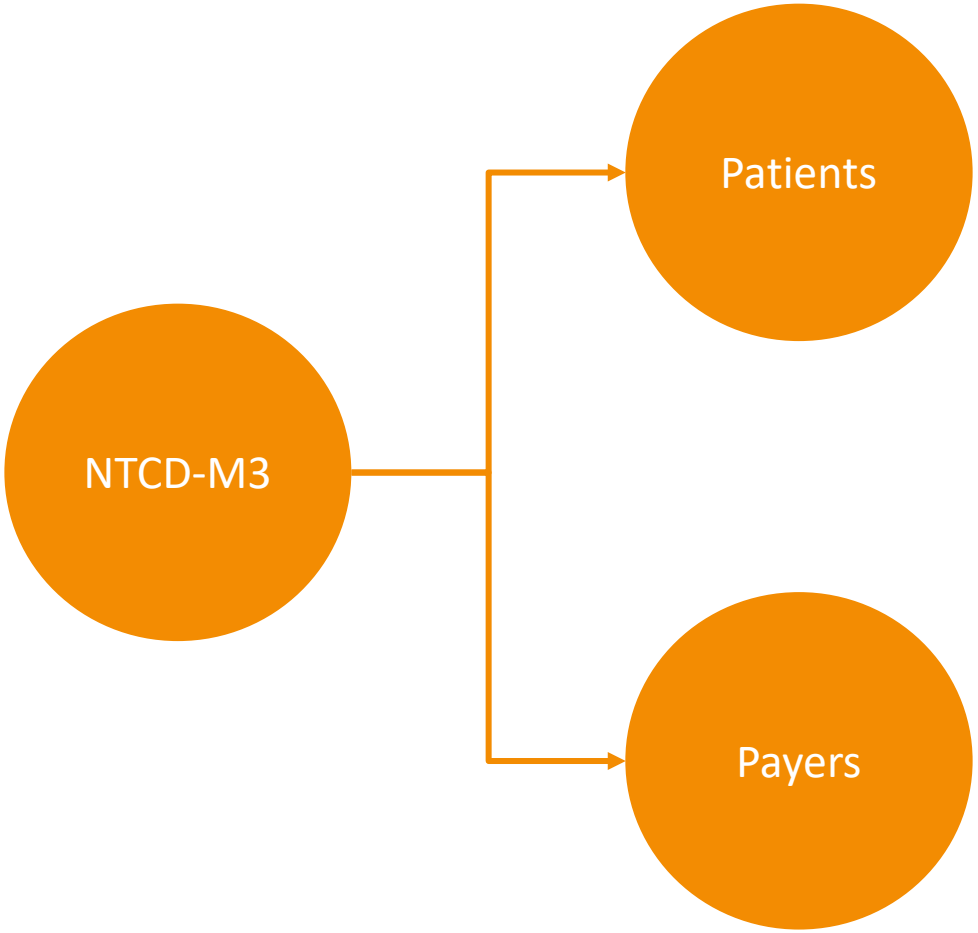
NTCD-M3 – A step-change in benefit to patients and payers



- Lower RR v. SOC means less recurrence
- Fewer hospital readmissions
- Improved outcomes, less morbidity
- Improved quality of life

- Lower RR v. SOC means less recurrence
- Fewer hospital readmissions
- Shorter hospital stay
- Less burden on hospital systems
- Reduced drug treatment cost due to fewer recurrences
- Can be used after first episode so earlier in treatment algorithm – disrupts whole recurrence escalator

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XF-73 – Nasal *S. aureus* decolonisation to Prevent Post-surgical Infection

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Economic burden of Post-surgical infection

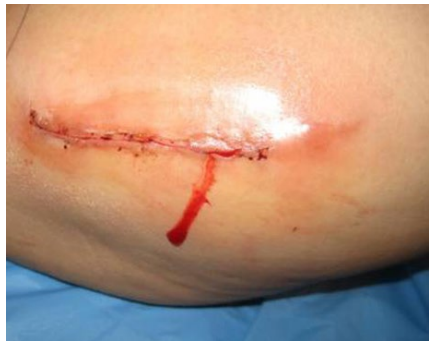
1 in 3 people are S. aureus carriers

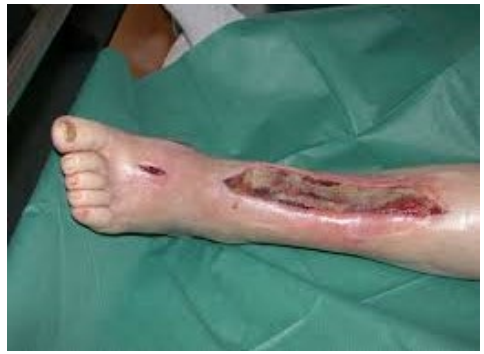
Carriers have 10x higher risk of post-surgical infection

40 million US surgical patients at risk of post-surgical infection

Annual cost of complications in US due to post-surgical infections ~$10 billion

Target market for prevention of post-surgical infections $1 billion (US)





Hospital stay increases by **15 days** for patients with wound infections

"The hospital has the biggest financial incentive to reduce post-operative surgical infections and can absorb the [XF-73] cost in the DRG payment" US KOL (independent research)

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XF-73 Nasal – Strong potential in an indication with no approved products

- XF-73 (exeporfinium chloride) is a dicationic porphyrin derivative small molecule with intrinsic antibacterial properties – highly novel mechanism, compelling clinical profile
- XF-73 exhibits potent intrinsic anti-microbial activity against *S. aureus* that is rapidly bactericidal, and due to this, *S. aureus*/ MRSA appears unable to generate resistance to XF-73
- Targeted, topical delivery for nasal decolonization of S. *aureus* – acute use, minimal systemic absorption limits side effect potential
- Phase 2b study met primary endpoint
  Phase 3 – FDA and EMA meetings to discuss plan H2 2021
  XF-73 has Fast Track status and QIDP
- XF-73 and the XF platform – strong patent estate and QIDP status provides anticipated market exclusivity to late 2030s

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XF-73 – Clinical data

Prevention of S. aureus Post-surgical infections

Phase 2b	XF-73 v. placebo (1:1 randomization) double blind 124 patients Repeat dose 0.2% w/w (2mg/g) XF-73 or placebo administered 4 times over 24 hours prior to surgery and once upon closure of wound Population: *S. aureus* nasal carrier patients as confirmed by PCR who are undergoing cardiac surgery Primary endpoint: Microbiological burden of commensal *S. aureus* measured from baseline to immediately pre-surgery Secondary endpoints: Change in AUC of *S. aureus* up to 7 days post-surgery, Incidence of post-surgical S. aureus infections in 30 days post-surgery, Use of anti-Staph antibiotics post-surgery, safety
Phase 3 plan	Discuss study design with FDA and EMA H2 2021 CMC formulation work for nasal gel and applicator design

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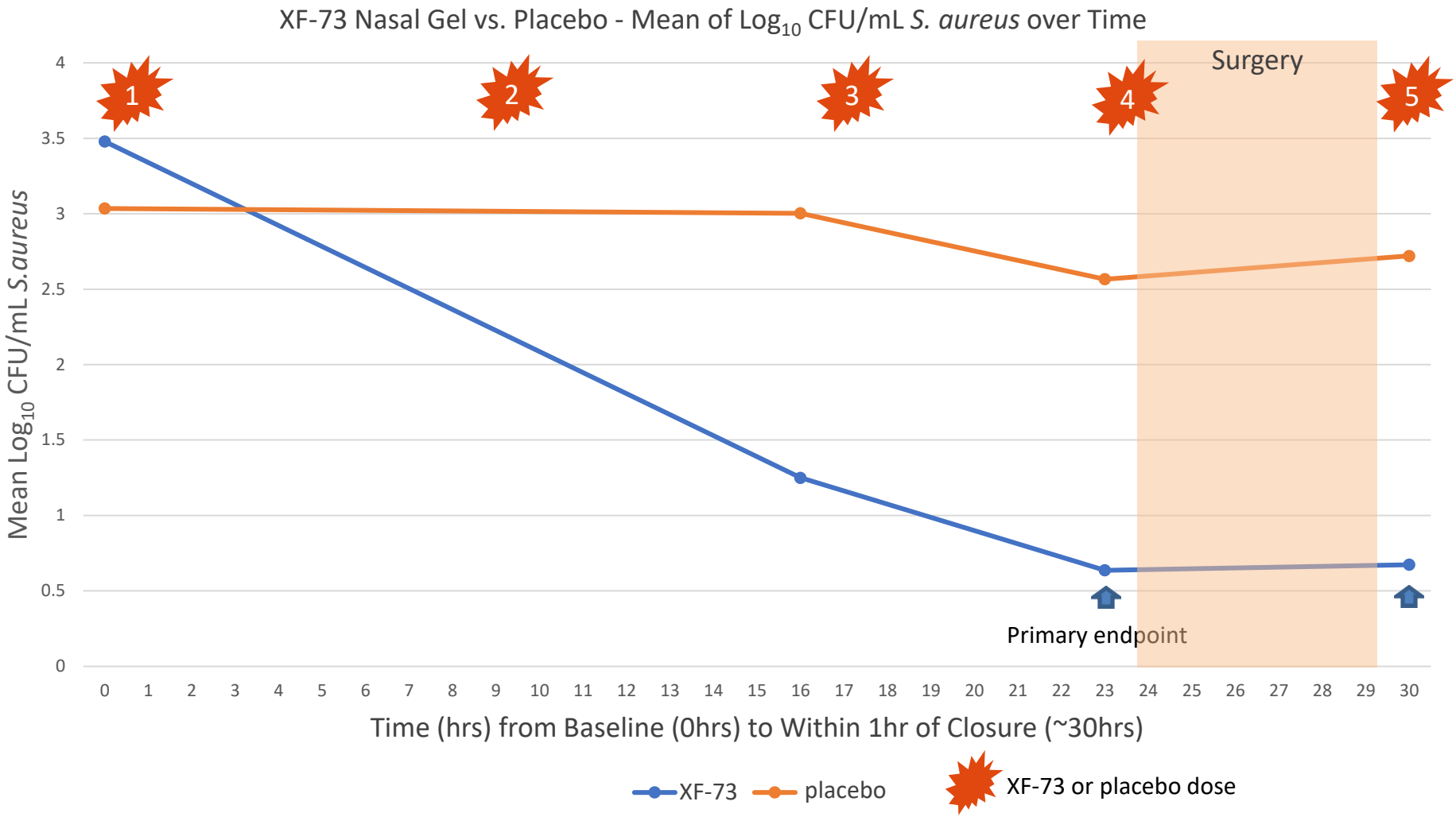
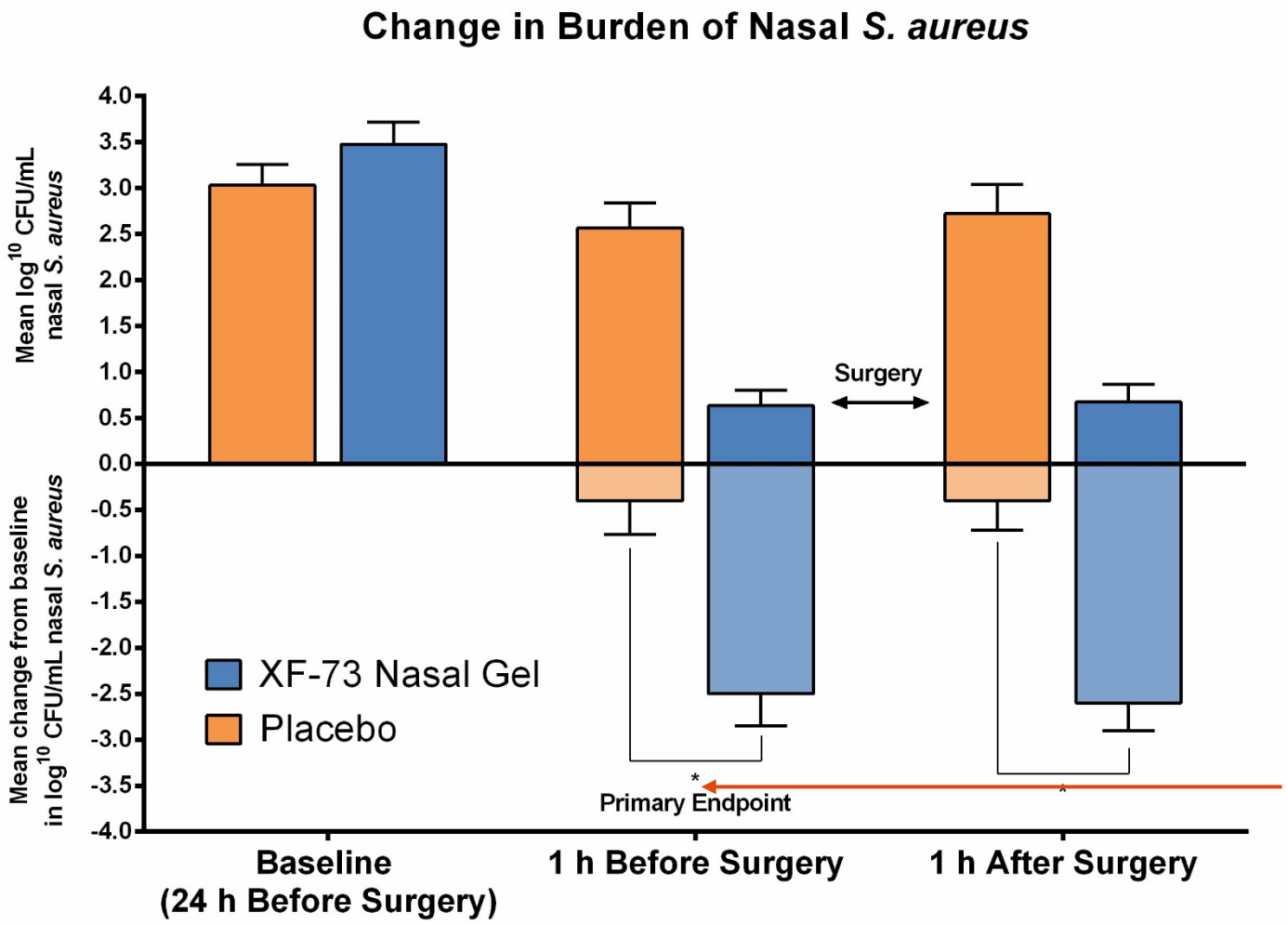
XF-73 Nasal Phase 2b: Primary Efficacy endpoint met



XF-73 significantly decreased the burden of nasal *S. aureus* in the 24 hours before surgery (99.2% reduction over placebo) and kept the patients at minimum nasal *S. aureus* during surgery.

Primary Efficacy Endpoint met



99.2% reduction in SA burden versus placebo

Error bars represent the standard error of the mean (SEM)

*Difference in mean change from baseline log^{10} CFU/mL nasal *S. aureus* (XF-73 - Placebo); $p<0.0001$

XF-73 on track to deliver compelling Target Product Profile

Ideal attributes	XF-73 TPP claims	Evidence	
Easy to apply, safe gel	Specifically designed for nose. Non-irritant, no side effects. Good compliance.	Seven clinical studies including P1 dermal sensitivity/irritancy. Plus latest P2 safety data	✓
Fast acting targeting all *S. aureus* strains and killing for period of risk.	All antibiotic strains of *S.aureus* including MRSA/biofilms. Sub-15 minute kill. Novel MOA.	Extensive microbiology updated on regular basis. Several published papers. Phase 2b shows high efficacy after 3 doses in 24 hours.	✓
Easy to use in hospital environment.	Fits into existing protocols with high patient/medical staff compliance	Phase 2b trial data and feedback. Market research studies.	✓
Stable, low cost product	Stable gel stored at room temperature. Mature production process.	Multi-kg process established. Pricing tested by market research. Low COGS forecast.	✓
Addresses AMR threat	Does not create resistance/superbugs. S. aureus/MRSA not resistant to XF-73	Published "passage" studies supported by peer reviews and testing of clinical samples	✓

XF-73 Nasal Addresses a Clear Unmet Need

- Reducing *S. aureus* carriage reduces post-surgical infections by ~60% (Bode *et al,* 2010) and currently no FDA-approved products to reduce *S. aureus* in surgical patients
- XF-73 is highly differentiated with a compelling clinical profile, lack of resistance potential and a strong IP position
- Hospital-only setting leverages its unique low/no resistance profile and enables inclusion within existing DRG for surgery
- Targeted, topical delivery over 24 hours optimizes compliance and ease of use
- Route to market being clarified with FDA H2 2021 after positive Phase 2b results obtained

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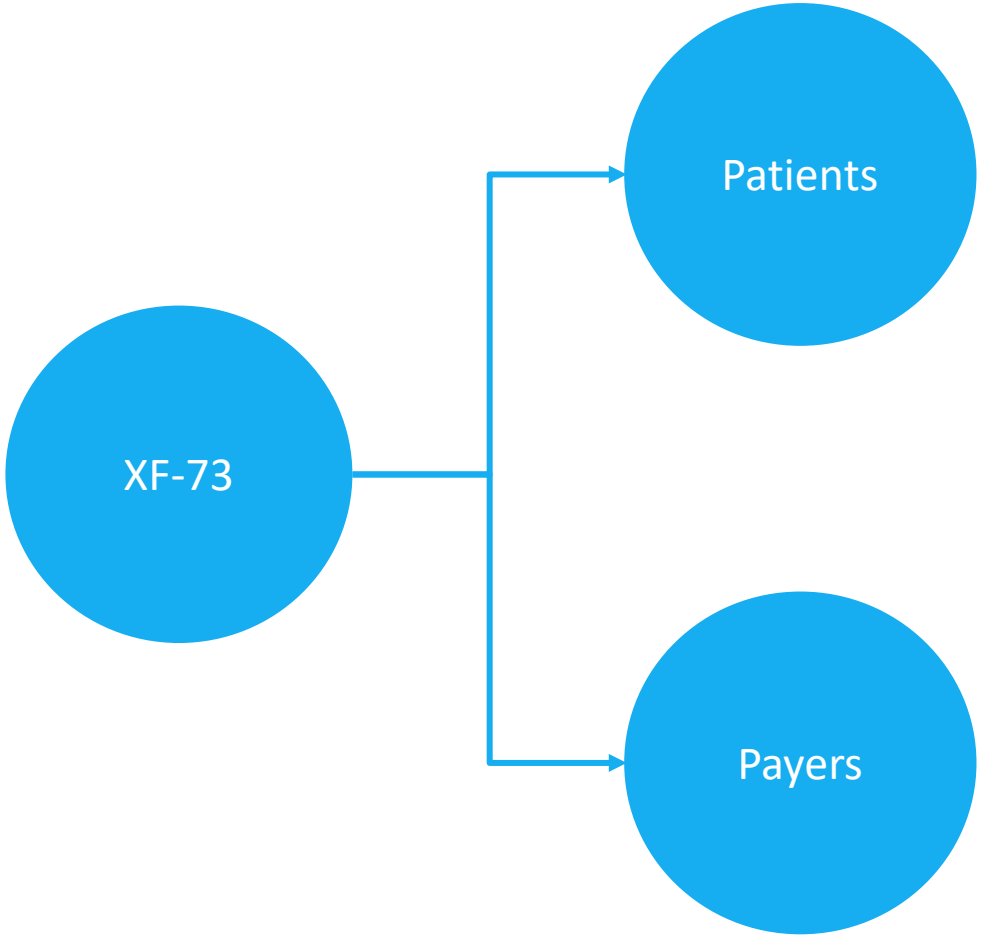
XF-73 – A step-change in benefit to patients and payers



- Ease of use - Dosing over 24 hours instead of 5 days
- Self administration possible – topical gel in nose
- In hospital, cost absorbed under DRG so no/limited co-pay
- No resistance to XF-73 so improved efficacy
- Reduced risk of a *S. aureus* post-surgical infection, therefore improved outcome possible
- No/limited systemic exposure so good safety profile

- Hospital use so cost absorbed under surgical DRG payment
- Improved outcomes if fewer post-surgical infections
- Shorter hospital stay, fewer re-admissions
- Lower secondary healthcare costs
- Universal decolonization (good safety profile) would negate need and cost of PCR tests to identify carriers

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Partnerships and Grants

Destiny licensed exclusive rights in 2017 to the XF platform, including XF-73, to China Medical Systems, a specialty Pharma company for the China region

Destiny acquired global rights to NTCD-M3 from NTCD LLC in 2020

Destiny and SporeGen Ltd. entered into a 50:50 research collaboration in 2020 to develop SPOR-COV™. Destiny takes the lead in commercialization of the asset

Grant-funded research projects are ongoing with Aston University, University of Southampton, University of Sheffield, Cardiff University, Tianjin University

- SPOR-COV project awarded £800K from UKRI/Innovate UK
- Destiny awarded up to £1.6 million under UK-China AMR Fund in collaboration with Cardiff, Tianjin Universities and CMS
- Destiny awarded grant from NIAID to progress XF dermal programme

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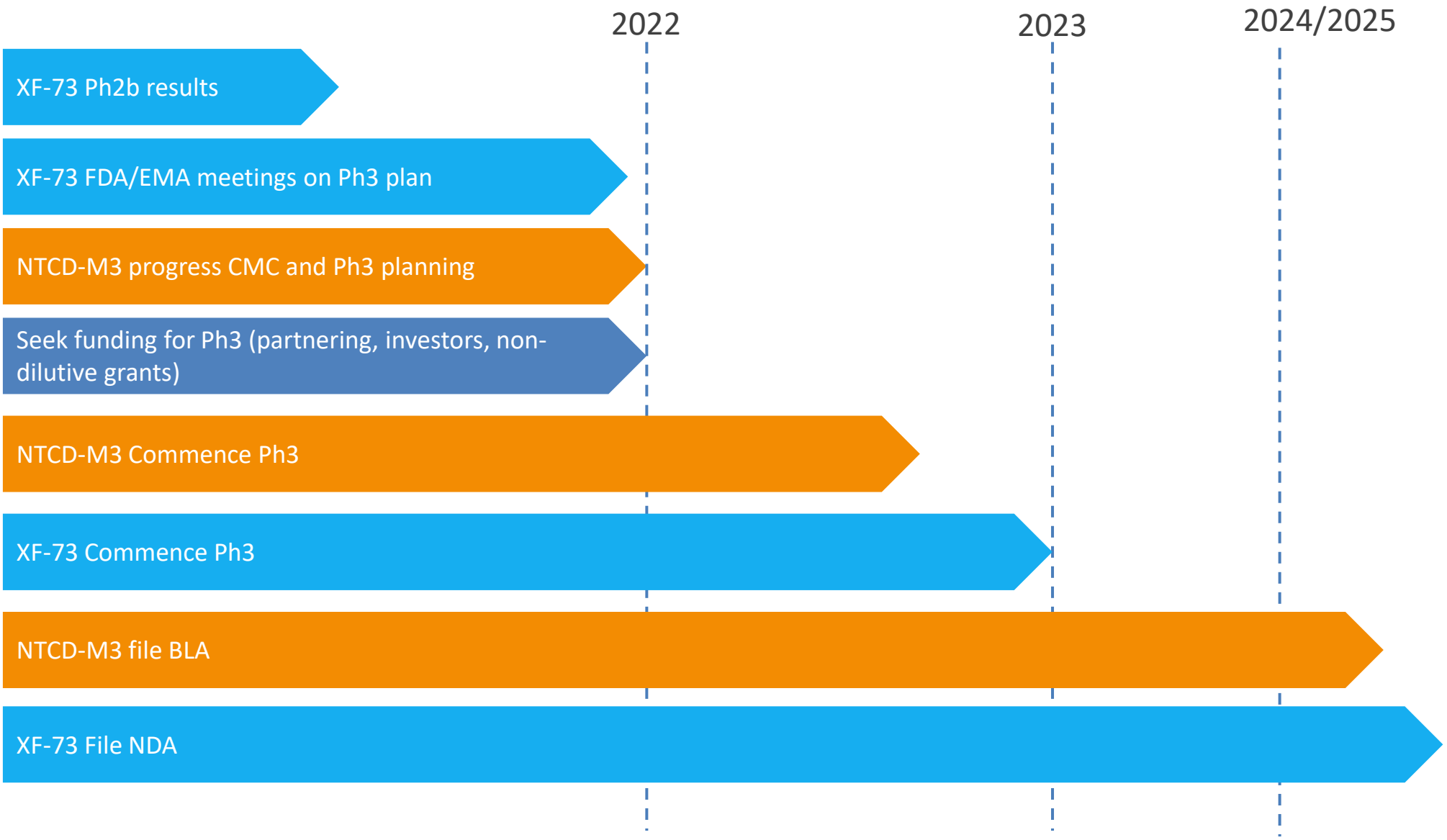
Timeline



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