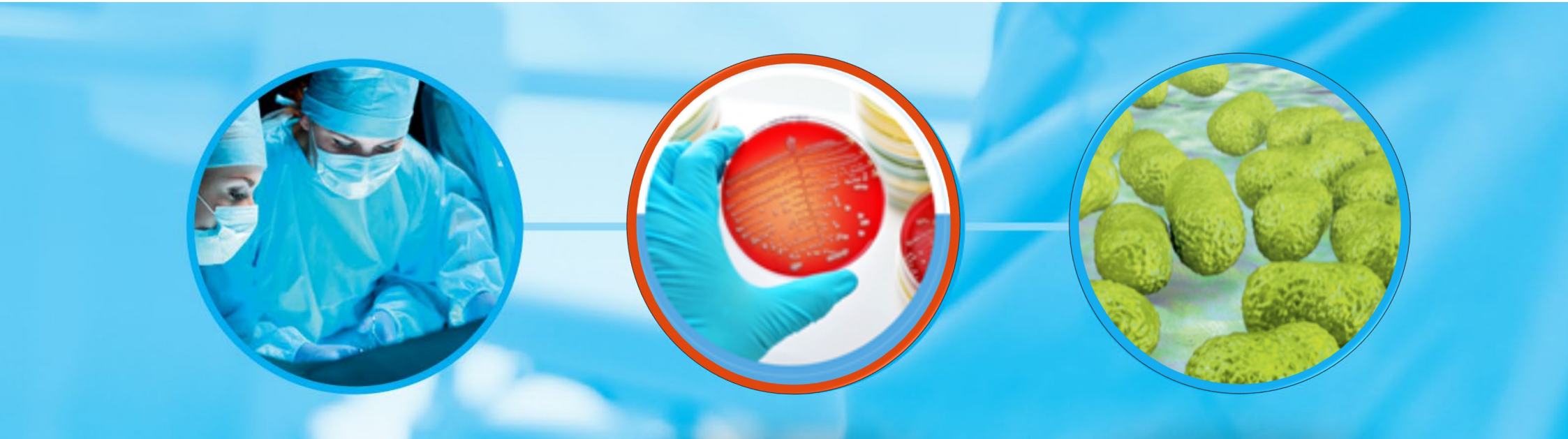
Destiny Pharma

Developing Novel Medicines that Prevent Serious Infections

London Stock Exchange AIM Listing: DEST

Financial Results 2021 Presentation April 12 2022

Non-confidential



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Experienced Management Team and Strong Board

Management Team

Neil Clark
FCA, CEO

Over 20 years in AIM listed biotech/ life sciences leadership positions

Dr Bill Love
PhD, CSO

Founder of DP and co-inventor of the XF Drug Platform and recognised thought leader in tackling AMR

Shaun Claydon
FCA, CFO

Experienced life science CFO and investment banker/corporate financier

Dr Stephanie Bewick
PhD, CBO

Over 20 years experience in Business Development within public, private biotech and mid-sized pharma

Non-Executive Board Members

Nick Rodgers
Chairman

Investment banker/corporate financier with extensive broad experience in life science in private and public companies. Ex-Chair of Oxford Biomedica

Dr Huaizheng Peng MD
Director

GM and international Director of China Medical Systems. Background in City fund management and investment banking. Medical doctor by training

Dr Debra Barker MD
Director

Ex-Roche, GSK, Polyphor. Currently CMO at Polyneuron Pharma. Held several senior roles at Novartis. On the board of Hutman Diagnostics and BerGenBio

Destiny Pharma - Focused on infection prevention

We are dedicated to the discovery, development, and commercialisation of new anti-infectives that improve outcomes for patients and provide cost-effective medical care.

- Two novel clinical assets heading towards Phase 3 clinical studies targeted at clear clinical needs with significant $ billion global opportunities for both
- Upcoming milestones build on track record of delivery since IPO in 2017
- Partnering strategy de-risks pipeline development; two active partnerships in place
  Advanced discussions with commercial partners for NTCD-M3
- Lean, virtual model – majority of funds focused on IP and value generation
- On track to build a highly valuable infection prevention pipeline

AMR, COVID-19 – the time is right for prevention focus

At a Glance – Two differentiated Assets Targeting Large Markets

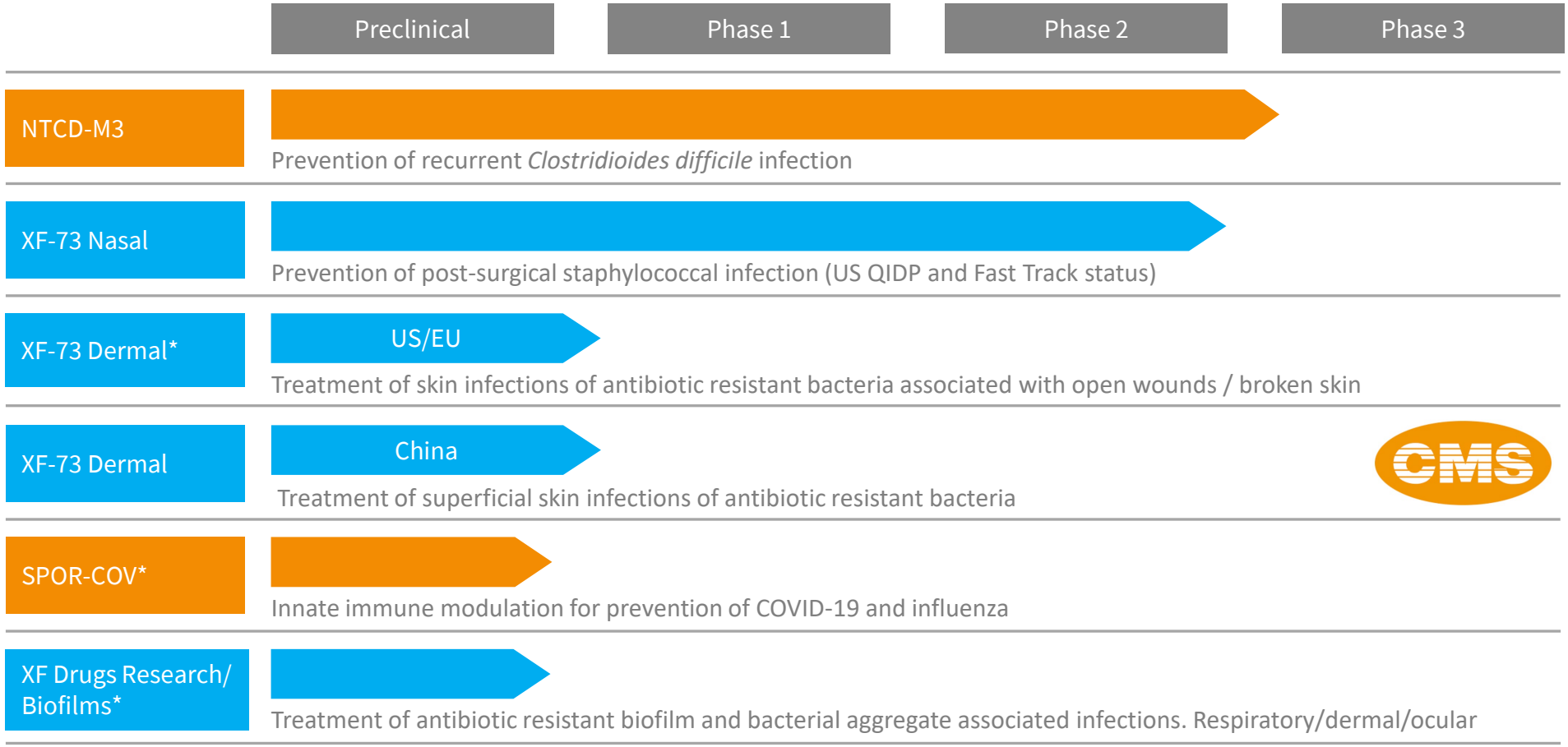
Two late-stage clinical assets addressing areas of high unmet need
- XF-73 to prevent post-surgical *S. aureus* infections (Fast Track and QIDP)
- NTCD-M3 to prevent *C. difficile* recurrence

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

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

Balance sheet strengthened – successful completion of recent funding round supports next stage of development

Diverse portfolio, Two Products Entering Phase 3 Studies



* Grant supported projects >£3m received. Partnerships with University groups and medical schools.

Microbiome/Biotherapeutic platform

XF antimicrobial drug platform

Market opportunities are significant

Our two most advanced clinical assets are targeted at billion-dollar global markets:

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

There are 500,000 cases of CDI in the US annually resulting in 29,000 deaths and a $6bn healthcare burden. Peak sales for the prevention of C. difficile Infection >$1bn

	Estimated cost per patient	Days in hospital
1 episode CDI	$39k	7 days
4 episodes CDI	$187k	37 days

XF-73 – Nasal *S. aureus* Decolonisation to Prevent Post-Surgical Infection

1 in 3 people are *S. aureus* carriers. There are around 40 million US surgical patients at risk. Annual cost of complications in US are $10bn. Peak sales for the prevention of post-surgical infections are >$1 billion.

	Estimated cost per patient	Days in hospital
MRSA surgical site infection	>$160k	15 days

Strong Track Record of Delivery since IPO, Exciting Newsflow Ahead

2017 - 2020
- XF-73 Dermal project awarded US government funding
- Over £3m of grant/NDF funding awarded since 2017
- Collaboration with China Medical Systems - investor, regional rights
- Complete XF-73 nasal Phase 2

2020
- Raised £10.2 million in Nov 2020 to acquire and develop NTCD-M3
- SPOR-COV collaboration signed with SporeGen.
- Awarded Innovate UK grant of £800k

2021
- XF-73 nasal gel reported excellent Phase 2 data in 2021
- Active interest in licensing NTCD-M3 commercialisation rights.

2022
- NTCD-M3 partnering deal
- Finalise NTCD-M3 Phase 3 study prep
- XF-73 Nasal Phase 3 design agreed with US and EU regulators
- Commence final preclinical study for XF-73 Dermal
- Transition SPOR-COV to first-in-man studies; sign partnering deal

2023
- NTCD-M3 Phase 3 actively recruiting
- XF-73 partnering deal
- Commence XF-73 Nasal Phase 3
- Additional NTCD-M3 regional commercialisation deal
- XF-73 Dermal clinical candidate starts Phase 1

2025 -2026
- NTCD-M3 and XF-73 Phase 3 studies complete and new products registered

Financials

Financial highlights

Statement of comprehensive income

For the year ended 31 December 2021

	2021 £	2020 £
Continuing operations		
Other operating income	**135,028**	12,450
Administrative expenses	**(6,016,128)**	(6,425,471)
Share based payment expense	**(405,851)**	(139,491)
Loss from operations	**(6,286,951)**	(6,552,512)
Finance income	**15,520**	71,611
Loss before tax	**(6,271,431)**	(6,480,901)
Taxation	**931,951**	1,069,824
Loss and total comprehensive loss for the year from continuing operations	**(5,339,480)**	(5,411,077)
Loss per share – pence		
Basic	**(8.9)p**	(12.0)p
Diluted	**(8.9)p**	(12.0)p

Highlights:

Loss before tax decreased £0.2m to £6.3m (2020: £6.5m):

- £0.8m reduction in R&D costs to £3.7m (2020: £4.5m) following H1 completion of XF-73 Phase 2b study
- £0.4m increase in non-R&D costs to £2.3m (2020:£1.9m) largely due to increase in headcount to 21 employees
- General admin expenses (incl. in £2.3m total above) remained flat at £1.1m (2020: £1.1m)
- SBP expense increased £0.3m to £0.4m (2020: £0.1m)

Financial highlights

Statement of financial position

As at 31 December 2021

	2021 £	2020 £
Assets		
Non-current assets	**2,297,317**	2,279,576
Current assets		
Receivables and prepayments	**1,339,863**	1,680,766
Cash and cash equivalents	**4,645,562**	9,744,217
	5,985,425	11,424,983
Total assets	**8,282,742**	13,704,559
Equity & liabilities		
Equity		
Share capital and premium	**27,690,185**	27,683,675
Accumulated losses	**(20,180,879)**	(15,247,250)
	7,509,306	12,436,425
Current liabilities		
Trade and other payables	**773,436**	1,268,134
Total equity and liabilities	**8,282,742**	13,704,559

Highlights:

- Decrease in net assets by £4.9m, largely cash utilisation in operating activities
- Intangible asset £2.3m – upfront payment for NTCD-M3
- R&D tax credit of £0.9m (2020:£1.1m) receivable in Q2 2022
- Net operating cash outflows in 2021 of £5.1m (2020: £5.5m) resulting in YE cash of £4.7m
- £6.5m fundraise in March ’22 extends cash runway to mid-2023

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About NTCD-M3

Preventing C. difficile Infection Recurrence

NTCD-M3 Addresses a Clear Unmet Need

- Clinical data for Recurrence Rate appears superior to current antibiotics and products in R&D with **'game changing'** recurrence rate of **5%** v 30% placebo in Phase 2 trial
  Marketed and development stage products exhibit recurrence rates **11-25%**
- 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

What we have done since the acquisition of NTCD-M3

- ✓ Completed Tech Transfer to new, specialist manufacturer
- ✓ Started scale up of process to meet Phase 3/commercial standards
- ✓ Develop detailed Phase 3 clinical plan and engaged with KOLs – clinicians, Development and market access/reimbursement experts
- ✓ Planned regulatory strategy with FDA/EMA to enable study start up
- ✓ Completed external market positioning exercise with US/EU clinicians and payers which provides strong support for NTCD-M3 uptake in a large CDI population
- ✓ Commenced a campaign seeking commercialisation partners which has delivered several interested parties to data room

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 8 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

Strong External Validation from Clinicians and Payers

US clinicians expressed strong likelihood of adoption after primary episode or 1st recurrence. EU clinicians expect first usage would be in 1st recurrence before moving into primary episode

- Extremely low recurrence rate and ease of administration as an oral capsule the main drivers for adoption

"Would use this in almost all my recurrent patients with this efficacy and basically minimal risk" – US Gastro

"This sounds really promising…I'd use it after a primary episode if this can prevent even a 1st recurrence, which is really good" - UK Infect. Dis.

"This is so easy and could be used for everyone after primary – we want to prevent as many infections as possible" – US Gastro

"I would try to use this in all of my patients but the question is around co-pay and access." – US Gastro

"This efficacy is much better than Zinplava or fidaxomicin, which only showed 10 or 15%" – DEU Infect. Dis.

Payers' interest is driven by the reduction in CDI recurrence rate and expected impact on hospitalization which addresses their key unmet needs

"Think this product could be really beneficial to a lot of patients" – US Payer

"Really like that it's an oral capsule – much easier in an outpatient setting than Zinplava which is better for both patients and costs" – US Payer

"As the price escalates, the likelihood of restricting to later recurrences becomes much higher…but if it's more reasonable, we may just go with as broad of a label as approved" – US Payer

Source: BackBay market analysis on NTCD-M3 in US & EU clinicians and payers July 2021

About XF-73 *Decolonisation to Prevent Post-surgical Infection*

XF-73 Nasal – Eradication of *S. aureus* to Prevent Post Surgical Infection

- XF-73 (exeporfinium chloride) highly novel mechanism with compelling clinical profile with demonstrated excellent Phase 2b result in 2021
- Rapidly bactericidal with potent intrinsic anti-microbial activity against *S. aureus* which facilitates 1 day dosing
- Unable to generate resistance to XF-73; is antibiotic-sparing
- Safe, targeted, topical gel delivery for nasal decolonization of *S. aureus* – acute use, minimal systemic absorption limits side effect potential
- Stable gel at room temperature with low COGS – facilitates ease of uptake and competitive pricing
- US Fast Track and QIDP status with anticipated market exclusivity to late 2030s

XF-73 Nasal Program Status

- Clinical: Phase 3 plans being discussed with FDA and EMA; good progress to date
  - Anticipate different Phase 3 requirements so two Phase 3 programmes likely
  - FDA require a clinical endpoint with a placebo comparator – FDA follow up advice request Q1 2022
  - EMA require a microbiological endpoint with an active comparator – follow up advice Q1 2022
  - Target commencement of Phase 3 studies in 2023

- CMC: Development of Phase 3 material and then sourcing of a drug product manufacturer in progress and expected to yield drug product H1 2023
  - Confident on low COGS and long shelf life to enable a competitive market price

- Commercialisation: Preliminary discussions with commercialization partners held
  - Require clarity on Phase 3 programme to advance discussions
  - Partnering deal targeted by H1 2023

Strong External Validation from Clinicians and Payers in Europe and US

EU clinicians said XF-73 is likely to replace mupirocin as standard of care because it addresses the unmet needs associated with mupirocin:

- Drug resistance
- Efficacy spectrum
- Patient compliance
- Rapid action

More willingness to use XF-73 for universal decolonization of *S. aureus* in all high risk surgeries in Germany, France and Spain, while in UK and Italy more likely to use in *S. aureus*-positive patients

In US, XF-73 would be first APPROVED product with label to eradicate *S. aureus* in the surgical setting. This would give it the advantage over mupirocin which is used off-label but is the accepted standard of care

Payers willing to pay a premium both in US and EU if P3 produced strong data to support its claims

* US research conducted by Edison 2018, EU research conducted by Eversana Dec 2021

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About SPOR-COV™ and XF-73 Dermal

SPOR-COV - Nasal Spray to Prevent against Influenza and/or COVID-19

SPOR-COV™ is a novel formulation of the bacteria *Bacillus* with potential rapid protective action against COVID-19 and influenza

In vivo studies support its Innate Immunity Boosting property:

- Nasal dosing of SPOR-COV provided 100% protection against flu viral infection in mice
- Potentially stimulates various components of the immune system pathway
- Being tested further in preclinical studies in influenza and COVID-19 models

SPOR-COV is a research collaboration with SporeGen Ltd. (leading *Bacillus* experts)

UK COVID-19 government grant of £0.8 million awarded 2020 to cover the work to deliver a product candidate in 2022; work on track

Licensing discussions underway

XF-73 Dermal - Treatment of Skin Infections

Novel dermal formulation of XF-73 for treatment of antibiotic resistant skin infections associated with open wounds / broken skin

In vivo activity in multiple murine and porcine models of both superficial skin and full thickness wound infection

In vivo safety demonstrated minimal systemic exposure, indicating a superior safety profile. Clinically-enabling GLP study, sponsored by NIAID (c.£800k funding) can start in Q3 2022

GLP drug substance available and novel dermal formulation to be provided by DP – c.£250k

Funded through InnovateUK/China-UK AMR award and dermal toxicology studies are sponsored by NIAID in US.

An additional XF-73 Dermal superficial skin infection programme is ongoing in China led and funded by CMS

Summary and Q&A

- Two novel clinical assets heading towards Phase 3 clinical studies targeted at clear clinical needs with significant $ billion global opportunities for both
- Upcoming milestones build on track record of delivery since IPO in 2017
- Partnering strategy de-risks pipeline development; two active partnerships in place
  Advanced discussions with commercial partners for NTCD-M3
- Lean, virtual model – majority of funds focused on IP and value generation
- On track to build a highly valuable infection prevention pipeline

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