Interim results for six months ended 30 June 2021

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Destiny Pharma plc
(**"Destiny Pharma"** or the **"Company"**)

Interim results for the six months ended 30 June 2021

Primary endpoint met in XF-73 Phase 2b clinical trial

Secondary endpoint analysis showed XF-73 exhibited a significant and sustained nasal reduction of S. aureus

Discussions progressing on XF-73 nasal Phase 3 study design

Good progress for NTCD-M3 programme targeting C. difficile infection recurrence: Phase 3 on track to start in H2 2022

Positive market research report underlines market opportunity for NTCD-M3 in US and Europe

Company funded through to Q4 2022

Brighton, United Kingdom - 9 September 2021 - Destiny Pharma (AIM: DEST), a clinical stage, innovative biotechnology company focused on the development of novel medicines to prevent life threatening infections, announces its unaudited interim financial results for the half-year ended 30 June 2021 and an update for the year to date.

Financial highlights

- Cash and term deposits at 30 June 2021 of £7.1 million (30 June 2020: £5.6 million; 31 December 2020: £9.7 million).
- Net assets of £10.2 million at 30 June 2021 (30 June 2020: £5.4 million; 31 December 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).
- Company funded through to Q4 2022.

Operational highlights

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

- Positive top-line results reported in March 2021. Primary efficacy endpoint met successfully with exceptionally high statistical significance and no treatment related safety events.
- Very good secondary endpoint data announced in August 2021 shows that XF-73 has the potential to keep patients at a significantly low *S. aureus* nasal burden during the period of highest infection risk which runs from 1 hour prior to incision, during surgery itself, to the start of wound healing and out to 6 days post-surgery.
- Ongoing discussions with regulators regarding possible Phase 3 clinical trial designs. Detailed submission for scientific advice made to CHMP (Committee for Medicinal Products for Human Use at European Medicines Agency) in August 2021.
- Successful XF-73 nasal gel Phase 2b study data was presented at 2021 ECCMID (European Congress of Clinical Microbiology & Infectious Diseases) Congress by Infection prevention expert, Professor Julie Mangino MD.
- Brazil's Industrial Property Office has issued a notice of allowance that will now lead to the final approval of the Company's patent application (Brazilian Patent Application no. PI 0512563-4) in relation to XF-73.

NTCD-M3 for the prevention of C. difficile infection (CDI) recurrence

- Good progress being made with transfer and scale up of NTCD-M3 manufacturing process.
- Detailed planning for the single Phase 3 clinical study underway.
- Establishment of a NTCD-M3 clinical advisory board consisting of Professor Dale Gerding MD, US, who discovered NTCD-M3, Professor Mark Wilcox MD, UK key opinion leader in CDI and other medical and drug development experts with recent experience of running and designing international Phase 3 clinical studies in CDI.
- Very strong support for NTCD-M3 TPP (Target Product Profile) from independent US and EU market research report received in August 2021. Feedback supports market positioning and pricing strategies.
- Encouraging interest from potential licensing partners.

Earlier pipeline and research projects

- Two new collaborations signed: NIAID in US supporting XF-73 dermal infection programme and US Department of Veterans Affairs to research NTCD-M3 for prevention of recurrence of C. difficile infections.
- XF research projects with Cardiff, Tianjin (China), Sheffield, Southampton and Aston Universities making progress after COVID-19 delays.
- SporCov collaboration with SporeGen progressing well and on plan to complete around the year-end.

Neil Clark, Chief Executive Officer of Destiny Pharma, commented:

"Destiny Pharma has made exceptional progress in 2021. Our pipeline is focused and strong, with two exciting late-stage assets moving towards Phase 3 trials from two different technologies both targeting infection prevention.

We are very pleased with the quality of the XF-73 nasal Phase 2b data and are now focused on clarifying the Phase 3 trial designs in the US and Europe. We are confident that XF-73 has the potential to deliver a major improvement in the prevention of post-surgical infections caused by Staphylococcus aureus. There is a clear clinical need and commercial opportunity for XF-73 in the hospital setting which we estimate in the US alone to be peak annual product sales of $1 billion.

Our most advanced clinical programme is NTCD-M3 for the prevention of Clostridioides difficile infection (CDI) recurrence. As we finalise the Phase 3 study design and network with CDI medical experts, we are increasingly enthused by the positioning of NTCD-M3 as a single strain, natural biotherapeutic and its great potential in a large market where peak global product sales could reach $1 billion.

We diversified our risk profile in the last 12 months by adding two microbiome assets to our home grown XF platform. Our pipeline has depth, and our earlier XF programmes and our SporCov COVID-19 research project are all progressing well. We also continue to attract collaborations and grant/non-dilutive support from expert partners.

COVID-19 has highlighted vividly the healthcare impact of infectious diseases and we remain convinced that Destiny Pharma's unique pipeline has the potential to deliver novel, commercially attractive products to prevent life threatening infections."

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About Destiny Pharma

Destiny Pharma is a clinical stage, innovative biotechnology company focused on the development of novel medicines that can prevent life-threatening infections. Its pipeline has novel microbiome-based biotherapeutics and XF drug clinical assets including NTCD-M3, a Phase 3 ready treatment for the prevention of *C. difficile* infection (CDI) recurrence which is the leading cause of hospital acquired infection in the US and also XF-73 nasal gel, which has recently completed a positive Phase 2b clinical trial targeting the prevention of post-surgical staphylococcal hospital infections including MRSA. It is also co-developing SporCov, a novel, biotherapeutic product for the prevention of COVID-19 and other viral respiratory infections and has earlier grant funded XF research projects.

For further information on the company, please visit https://www.destinypharma.com

Forward looking statements
Certain information contained in this announcement, including any information as to the Company's strategy, plans or future financial or operating performance, constitutes "forward-looking statements". These forward looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks" "could" "targets" "assumes" "positioned" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Directors concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industries in which the Company operates. The directors of the Company believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Company's control. Forward looking statements are not guarantees of future performance. Even if the Company's actual results of operations, financial condition and the development of the

industries in which the Company operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Chief Executive Officer's Statement

Operational review summary

Operational review

Destiny Pharma is a clinical stage biotechnology company dedicated to the development of novel medicines with a focus on infection prevention. The Company is developing novel antimicrobial drugs from its proprietary XF platform and also from two biotherapeutic products that harness beneficial components of the human microbiome. Destiny Pharma now has two exciting late-stage Phase 3 ready clinical assets, with large addressable markets, that have both reported strong Phase 2 data and a range of earlier research programmes.

XF-73 nasal, the Company's novel Phase 2b clinical asset from its proprietary XF platform, being developed for the prevention of post-surgical staphylococcal infections, reported positive top-line data in Q1 2021.

Destiny Pharma also has global rights to NTCD-M3 for the prevention of recurring *Clostridioides difficile* gut infections that is planned to start its Phase 3 study in H2 2022.

Destiny Pharma is also collaborating with SporeGen Limited on a novel treatment for the prevention of COVID-19 and similar respiratory viral infections using a *Bacillus* based approach. This project is at the preclinical development stage as are several earlier XF projects that are largely funded by grants/non-dilutive funding.

XF-73 nasal gel - Phase 2b clinical trial reported positive results in March 2021

There is a global need for better treatments to reduce post-surgical infections such as Destiny Pharma's XF-73 nasal gel, which has been awarded Qualifying Infectious Disease Product (QIDP) and Fast Track status by the US Food and Drug Administration (FDA). The recent clinical study tested the XF-73 nasal gel as a new investigational product for the prevention of the incidence of post-surgical infections caused by *Staphylococcus aureus* (*S. aureus*) such as methicillin-resistant *S. aureus* (MRSA). The primary efficacy endpoint was met with an exceptionally high statistical significance and there were no treatment related safety events.

Clinical Study Results Highlights

1. Met primary endpoint: XF-73 reduced the mean nasal burden of *S. aureus* in patients undergoing open heart surgery by 2.5 log (CFU/ml) in the 24 hours immediately before surgery in the micro-ITT (microbiological Intend to Treat) population, a statistically highly significant result, ($p<0.0001$). This equates to a 99.5% reduction in *S. aureus* bacterial nasal carriage which is a very effective reduction by accepted clinical measures.

2. XF-73 showed 2.1 log, (>99%), greater reduction than placebo in the same patient population and this difference in reduction of nasal burden of *S. aureus* was statistically highly significant ($p<0.0001$) in both the micro-ITT and per protocol populations. The effect was maintained during surgery, considered the period when the risk for infections is the highest. These positive results were achieved with just four doses of 0.2% (w/w) XF-73 nasal gel in the 24 hours before incision and the start of surgery.

3. The secondary endpoint analysis reported in August 2021 showed that XF-73 dosed patients can also benefit from a sustained bacterial reduction at the three post-surgical sample time points after wound closure of 1 hour, 2 and 6 days demonstrating 2.5 log, 2.4 log and 2.8 log reductions, respectively, and sustaining the drop of over 99% in *S. aureus* nasal burden. The placebo treated patients reported 0.4 log, 1.5 log and 2.5 log reductions at the same time points. The bacterial reductions in XF-73 treated patients were shown to be highly statistically significant over placebo at the 1 hour and 2 days post-surgery timepoints ($p<0.0001$ and $p<0.003$, respectively). As a result of the antibiotic dosing used as standard of care, the 6-day time point reduction in the placebo group were equivalent to the XF-73 arm which was expected as it is known (Wilson *et al,* 1977) that pre- and post-surgical systemic anti-staphylococcal antibiotic dosing elicits a slow, gradual reduction in nasal bacterial carriage.

4. This sustained nasal microbiological effect in the period of greatest risk (pre-surgery to wound healing) of XF-73 in patients is a desirable attribute for the reduction in the risk of acquiring a post-surgical, staphylococcal infection. The secondary data demonstrates that XF-73 nasal gel has the potential to keep patients at a significantly low *S. aureus* nasal burden during the period of highest infection risk which runs from 1 hour prior to incision, during surgery itself, to the start of wound healing and out to 6 days post-surgery.

An abstract providing analysis and discussion of the late-breaking data arising from the recently completed Phase 2b clinical study of XF-73 nasal gel was accepted for presentation at Europe's premier antimicrobials congress, the 31st European Congress of Clinical Microbiology & Infectious Diseases (ECCMID) in July, 2021. The presentation title was "Repeated doses of exeporfinium chloride (XF-73) nasal gel over 24 hours significantly reduced the burden of *Staphylococcus aureus* nasal carriage in at-risk surgical patients: preliminary results from a Phase 2 study."

Destiny Pharma now plans to discuss Phase 3 clinical study designs with regulatory bodies including the US FDA and CHMP in Europe. A submission for scientific advice with the Company's proposals for Phase 3 study designs was made to CHMP in August and the Company will now continue its review and discuss Phase 3 study design options with the FDA**.** The aim is to clarify Phase 3 study designs and their cost and timeline by the end of 2021. The Phase 2b data package is being shared with interested partners but clarity is likely to be needed on the US and European Phase 3 clinical study designs before any partnering deals can be finalised.

XF-73 is administered topically as a nasal gel whereby it reduces the nasal carriage of the bacteria *S. aureus* which is the source of many post-surgical bacterial infections. Approximately a third of all patients across the world have this nasal carriage as they enter surgery and it has the potential to be a very valuable market due to the millions of surgical procedures carried out each year.

The Company believes XF-73 is clearly differentiated from traditional antibiotics and many current anti-infective drugs in development due to the XF approach being prophylactic, following the well-established medical truth that "prevention is better than cure". The XF's target product profile also addresses the key issue of Antimicrobial Resistance (AMR). This is supported by feedback from our market research

targeting physicians, pharmacists and payers in the US who are responsible for managing hospital infections and the associated cost implications. This research also supports our proposed pricing strategies for XF-73 nasal gel as a new hospital product and the Company estimates that there is a $1 billion peak sales opportunity in the US alone.

NTCD-M3 for the prevention of *C. difficile* infection (CDI) recurrence

Destiny Pharma has global rights to NTCD-M3, a naturally occurring non-toxigenic strain of *C. difficile* which lacks the genes that can express *C. difficile* toxins. It is an oral formulation of NTCD-M3 spores and patients who have taken NTCD-M3 were found in trials to be well protected from CDI recurrence because NTCD-M3 acts as a safe "ground cover" preventing toxic strains of *C. difficile* proliferating in the colon after antibiotic treatment. NTCD-M3 temporarily colonizes the human gut without causing any symptoms and the gut microbiome returns to normal a few weeks after treatment.

NTCD-M3 has already completed a randomised, double-blind, placebo-controlled Phase 2b clinical study in 173 patients, who were diagnosed as having CDI (first episode or first recurrence) and reported strong, statistically significant data confirming efficacy. The rate of recurrence (RR) of CDI after treatment with the optimal dose of NTCD-M3 was only 5%, compared to 30% CDI recurrence for those receiving a placebo (JAMA 2015;313:1719). The rapid onset of colonisation of NTCD-M3 provides 95% protection from CDI recurrence during the post-treatment period, which makes it an ideal complement to all currently approved antibiotic treatments.

Destiny Pharma is making good progress in completing the tech transfer and scaling up processes for manufacturing of NTCD-M3 with the intention of starting a single Phase 3 clinical trial in H2 2022. The US FDA has previously agreed the outline Phase 3 design of a single, randomized, double-blind, placebo-controlled clinical study, with agreed endpoints, target CDI patient population and NTCD-M3 oral dosing regimen requiring 800 patients.

C. difficile is the leading cause of hospital acquired infection in the US and poor treatments lead to recurrence. In the US, there are approximately 500,000 cases of CDI each year; 25% of these initial cases then recur leading to 29,000 deaths per year. Current CDI treatment options are limited, with lower efficacy observed when patients are retreated with the same antibiotic for recurrence of CDI. Clinical data for NTCD-M3 appears superior to current treatments and drugs in development for the treatment of the recurrence of *C. difficile* infection.

The Company recently received a detailed market analysis report undertaken by independent experts who undertook a review by interviewing infectious disease experts in the CDI field to add to our understanding of the clinical, competitor and market access landscape in CDI for NTCD-M3. The feedback in both USA and Europe was very positive and adds further support to the NTCD-M3 package and Destiny Pharma's view that NTCD-M3 has the potential to be a breakthrough treatment for recurrent CDI and can be priced accordingly.

In July 2021, a Cooperative R&D agreement was signed with the US Department of Veterans Affairs to support studies focusing on identifying new attributes for NTCD-M3. Destiny Pharma will collaborate on this research project with the Edward Hines Jr. VA Hospital in Hines, Illinois, utilising their CDI research expertise to complete new preclinical studies that could support the administration of NTCD-M3 to a broader CDI patient population and therefore strengthen the market opportunity. The research project is planned to complete in Q4 2021.

Stuart Johnson, MD Professor of Medicine, Loyola Stritch School of Medicine, will lead the team conducting further studies of NTCD-M3 at the Edward Hines, Jr. VA Hospital, which has long been recognised for its advanced research into the diagnosis, epidemiology, prevention and treatment of CDI.

XF-73 dermal - US NIAID support for next preclinical studies

Destiny Pharma's second most advanced programme with XF-73 is targeting the prevention and treatment of serious infections associated with wounds and ulcers such as diabetic foot ulcers (DFUs). This programme has previously demonstrated positive results across a range of preclinical efficacy studies and two Phase 1 dermal irritancy trials.

In March 2021, the Company entered into a Non-Clinical Evaluation Agreement (NCEA) with the US government's National Institute of Allergy and Infectious Diseases (NIAID), part of the US National Institutes of Health, to evaluate the preclinical safety of a dermal formulation of XF-73. Under NIAID's suite of preclinical services, NIAID-funded contractors will conduct these clinically enabling safety studies. Destiny Pharma will utilise NIAID's preclinical services programme to complete the preclinical safety studies that will support the planned clinical development in serious wound infections. Destiny Pharma will provide the XF-73 formulation to be tested in these preclinical studies and the project is planned to complete in 2022.

The Company is undertaking this work as part of its plan to develop XF-73 as a new treatment for DFU infections. Driven by the growing number of diabetics and their associated ulcer infections this represents a significant market opportunity for XF-73. As with all anti-infectives, AMR is also a concern within this market. There is no dominant treatment for DFUs, and specialist physicians are very interested in developing better treatment options including new topical product formulations.

Research update

The Company's earlier XF pipeline is largely funded through non-dilutive grant funding. These projects are looking at the utility of XF compounds to prevent and/or treat infections in ocular, respiratory, dermal and oral indications. Progress on these projects had been slowed due to COVID-19 and the associated restrictions on university based laboratory work but activity has increased this year.

The SporCov research project continues to proceed to plan with work continuing in the planned toxicology, influenza and COVID-19 pre-clinical models. The work is part funded by an £800,000 Innovate UK grant and is expected to complete at the end of 2021.

As noted above two new funded collaborations were started in 2021 in the XF-73 dermal programme and also with NTCD-M3. In both cases the US based collaborators are experts and are working with Destiny Pharma programmes as they believe in the scientific and clinical rationale and the potential of the assets to deliver new medicines.

Outlook

Destiny Pharma is in the unique position of having two, high quality, late-stage clinical assets targeting infection prevention. They are both supported by strong Phase 2 clinical data and address clear clinical needs where there are also significant commercial opportunities and

the Board is committed to taking these late-stage programmes through to their final Phase 3 clinical studies.

The Company's strategy is to remain a research and development specialist and we therefore seek partners to lead the eventual commercialisation of these assets and help fund the Phase 3 clinical trials as well as exploring alternative funding options.

There is increased international support for the development of novel anti-infective drugs that address the issue of anti-microbial resistance and Destiny Pharma's unique platform is very well-positioned to meet this global need. The significant healthcare and economic impact of COVID-19 has clearly highlighted the global need for innovation that delivers fast, safe and affordable anti-infection treatments.

Neil Clark
Chief Executive Officer
9 September 2021

Condensed Statement of Comprehensive Income
For the 6 months ended 30 June 2021

	6 months ended 30 June 2021 Unaudited £	6 months ended 30 June 2020 Unaudited £	Year ended 31 December 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 option charge	**(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)
Income Tax	**489,235**	515,378	1,069,824
Loss and total comprehensive loss from continuing operations	**(2,488,578)**	(2,430,171)	(5,411,077)
Loss per share (Note 5)			
Basic and diluted	**(4.2)p**	(5.5)p	(12.0)p

Condensed Statement of Financial Position
For the 6 months ended 30 June 2021

	As at 30 June 2021 Unaudited £	As at 30 June 2020 Unaudited £	As at 31 December 2020 Audited £
ASSETS			
Non-current assets			
Property, plant and equipment (Note 6)	**39,886**	25,764	18,141
Intangible assets (Note 7)	**2,261,435**	-	2,261,435
Non-current assets	**2,301,321**	25,764	2,279,576
Current assets			
Trade and other receivables	**546,768**	559,747	1,172,403
Prepayments and accrued income	**607,870**	48,192	508,363
Cash and cash equivalents	**7,058,284**	5,571,631	9,744,217
Current assets	**8,212,922**	6,179,570	11,424,983
TOTAL ASSETS	**10,514,243**	6,205,334	13,704,559
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	**349,437**	817,512	1,268,134
Current liabilities	**349,437**	817,512	1,268,134
Shareholders' equity			
Issued share capital (Note 8)	**598,619**	438,652	598,169
Share premium	**27,091,466**	17,296,337	27,085,506
Accumulated losses	**(17,525,279)**	(12,347,167)	(15,247,250)
Total shareholders' equity	**10,164,806**	5,387,822	12,436,425
TOTAL EQUITY AND LIABILITIES	**10,514,243**	6,205,334	13,704,559

Condensed Statement of Changes in Equity
For the 6 months ended 30 June 2021

	Issued share capital £	Share premium £	Accumulated losses £	Total £
As at 1 January 2021	598,169	27,085,506	(15,247,250)	12,436,425
Loss and total comprehensive loss for the period	-	-	(2,488,578)	(2,488,578)
Issue of share capital	450	5,960	-	6,410
Share based payment expense	-	-	210,549	210,549
As at 30 June 2021	598,619	27,091,466	(17,525,279)	10,164,806

	Issued share capital £	Share premium £	Accumulated losses £	Total £
As at 1 January 2020	438,652	17,296,337	(9,975,664)	7,759,325
Total comprehensive loss and loss for the period	-	-	(2,430,171)	(2,430,171)
Share based payment expense	-	-	58,668	58,668
As at 30 June 2020	438,652	17,296,337	(12,347,167)	5,387,822

	Issued share capital £	Share premium £	Accumulated losses £	Total £
As at 1 January 2020	438,652	17,296,337	(9,975,664)	7,759,325
Loss and total comprehensive loss for the period	-	-	(5,411,077)	(5,411,077)
Issue of share capital	159,517	10,209,105	-	10,368,622
Costs of share issue	-	(419,936)	-	(419,936)
Share based payment expense	-	-	139,491	139,491
As at 31 December 2020	598,169	27,085,506	(15,247,250)	12,436,425

Condensed Statement of Cash Flows
For the 6 months ended 30 June 2021

	6 months ended 30 June 2021 Unaudited £	6 months ended 30 June 2020 Unaudited £	Year ended 31 December 2020 Audited £
Cash flows from operating activities			
Loss before income tax	**(2,977,813)**	(2,945,549)	(6,480,901)
Depreciation charges	**5,996**	9,017	16,881
Share based payment expense	**210,549**	58,668	139,491
Finance income	**(8,905)**	(13,470)	(71,611)
Decrease/(increase) in trade and other receivables and prepayments	**(54,461)**	113,260	(379,293)
Increase/(decrease) in trade and other payables	**(918,696)**	19,373	469,995
Tax received	**1,069,824**	839,079	813,250
Net cash used in operating activities	**(2,673,506)**	(1,919,622)	(5,492,188)
Cash flows from investing activities			
Purchase of tangible fixed assets	**(27,742)**	(1,859)	(2,099)
Purchase of intangible fixed assets	**-**	-	(2,261,435)
Interest received	**8,905**	13,470	71,611
Net cash flow from investing activities	**(18,837)**	11,611	(2,191,923)
Cash flows from financing activities			
New shares issued net of issue costs	**6,410**	-	9,948,686
Net cash inflow from financing activities	**6,410**	-	9,948,686
Net decrease in cash and cash equivalents	**(2,685,933)**	(1,908,011)	2,264,575
Cash and cash equivalents at the beginning of			

the period	**9,744,217**	7,479,642	7,479,642
Cash and cash equivalents at the end of the period	**7,058,284**	5,571,631	9,744,217

Notes to the Condensed Financial Statements

1. General Information

Destiny Pharma plc ("Destiny", or the "Company") was incorporated and domiciled in the UK on 4 March 1996 with registration number 03167025. Destiny's registered office is located at Unit 36 Sussex Innovation Centre Science Park Square, Falmer, Brighton, BN1 9SB.

Destiny is engaged in the discovery, development and commercialisation of new antimicrobials that have unique properties to improve outcomes for patients and the delivery of medical care into the future.

2. Basis of Preparation

These interim unaudited financial statements have been prepared in accordance with AIM Rule 18, '*Half yearly reports and accounts*'. The financial information contained in these interim financial statements have been prepared under the historical cost convention and on a going concern basis.

The interim financial information for the six months ended 30 June 2021, six months ended 30 June 2020 and the year ended 31 December 2020 contained within this interim report do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2020 is based on the statutory accounts for the year ended 31 December 2020. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

In the opinion of the Directors, the interim financial information presents fairly the financial position, and results from operations and cash flows for the period. Comparative amounts for the six months ended 30 June 2020 are also unaudited.

The interim financial statements for the six months ended 30 June 2021 were approved by the Board on 8 September 2021.

3. Accounting Policies

The unaudited interim financial statements for the period have been prepared on the basis of the accounting policies adopted in the audited report and accounts of the Company for the year ended 31 December 2020 and expected to be adopted in the financial year ending 31 December 2021.

4. Segmental Information

The chief operating decision-maker is considered to be the Board of Directors of Destiny Pharma. The chief operating decision-maker allocates resources and assesses performance of the business and other activities at the operating segment level.

The chief operating decision maker has determined that Destiny Pharma has one operating segment, the discovery, development and commercialisation of pharmaceutical formulations.

Geographical Segments
The Company's only geographical segment during the period was the UK.

5. Loss Per Share

The calculation for loss per ordinary share (basic and diluted) for the relevant period is based on the earnings after income tax attributable to equity shareholders for the period. As the Company made losses during the period, there are no dilutive potential ordinary shares in issue, and therefore basic and diluted loss per share are identical. The calculation is as follows:

	6 months ended 30 June 2021 Unaudited £	**6 months ended 30 June 2020 Unaudited** £	Year ended 31 December 2020 Audited £
Loss for the period from continuing operations	(2,488,578)	(2,430,171)	(5,411,077)
Weighted average number of shares	59,840,623	43,865,195	45,219,999
Loss per share - pence			
Basic and diluted	(4.2)p	(5.5)p	(12.0)p

6. Property, plant and equipment

	Plant and machinery £
Cost	
At 1 January 2021	120,188
Additions	27,742
At 30 June 2021	**147,930**
Depreciation	
At 1 January 2021	102,048
Charge for the period	5,996
At 30 June 2021	**108,044**
Net book value at 30 June 2021	**39,886**

	Plant and machinery £
Cost	
At 1 January 2020	118,089
Additions	1,859
At 30 June 2020	**119,948**
Depreciation	
At 1 January 2020	85,167
Charge for the period	9,017
At 30 June 2020	**94,184**
Net book value at 30 June 2020	**25,764**

Property, plant and equipment (contd.)

	Plant and machinery £
Cost	
At 1 January 2020	118,089
Additions	2,099
At 31 December 2020	**120,188**
Depreciation	
At 1 January 2020	85,167
Charge for the year	16,881
At 31 December 2020	**102,048**
Net book value at 31 December 2020	**18,141**

7. Intangible assets

	Acquired development programmes £
Cost	
At 1 January 2021	2,261,435
Additions	-
Cost and Net book value at 30 June 2021	**2,261,435**

Cost	
At 1 January 2020	-
Additions	-
Cost and Net book value at 30 June 2020	-

Cost	
At 1 January 2020	-
Additions	2,261,435
Cost and Net book value at 31 December 2020	2,261,435

8. Share capital

On 21 January 2021 180,436 Employee LTIP 2020 Options were granted to the following employees: William Love 45,095, Shaun Claydon 39,230, Neil Clark 53,053 and Jesus Gonzalez 43,058. These options have been granted at a price of £0.01 per ordinary share and will vest on the second anniversary of the date of grant.

On 12 May 2021 Jesus Gonzalez left the Company forfeiting 492,242 Options he held in the Company.

9. Events after the end of the reporting period

There are no events subsequent to the reporting period that require adjustment or disclosure.

10. Copies of the interim financial statements

Copies of these interim unaudited financial statements are available on the Company's website at www.destinypharma.com and from the Company's registered office, Unit 36 Sussex Innovation Centre Science Park Square, Falmer, Brighton, BN1 9SB.

END

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