Endurance RP Limited

壽康集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 575)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board of Endurance RP Limited is pleased to report the unaudited consolidated interim results of the Group for the six months ended 30 June 2022.

PERFORMANCE OVERVIEW

A summary of the financial performance and other notable events for the six months ended 30 June 2022 include:

- A loss attributable to shareholders of the Company of approximately US$20.06 million, which was mainly attributable to: (i) an amortisation charge of approximately US$12.34 million on the intangible assets, being a non-cash item; (ii) a realised and an unrealised marked-to-market loss in respect of the Company's equity portfolio of FAFVPL of approximately US$1.00 million and US$3.36 million respectively; (iii) the Group's operating and R&D expenses of approximately US$3.01 million; and (iv) an unrealised loss in respect of the Company's derivative financial instruments of approximately US$0.69 million.

- Shareholders' equity of approximately US$19.26 million, a decrease of approximately 50.32% as compared with that at 31 December 2021, with the decrease being the loss attributable to shareholders of the Company.

- In respect of the progress being made with Senstend™ in the PRC, of the three drug trials that Wanbang Biopharmaceutical registered in December 2021 with

the Centre of Drug Evaluation (http://www.chinadrugtrials.org.cn/clinicaltrials.searchlist.dhtml), the two Phase 1 studies have been successfully completed and the remaining Phase 3 study remains ongoing, with enrolment and randomisation estimated to complete in November 2022. The Company, its regulatory consultant and Wanbang Biopharmaceutical have commenced the preparatory phase for preparing the NDA to NMPA with the aim of submitting the NDA by the end of Q2 2023. If the clinical study meets its endpoints and the NMPA grants an import licence for Senstend™, US$5 million (before deduction of PRC withholding tax) will be payable to the Group from Wanbang Biopharmaceutical. In addition, upon first commercial sale of Senstend™ in China, US$2 million (before deduction of PRC withholding tax) shall be payable to the Group from Wanbang Biopharmaceutical.

- In respect of the progress being made with Fortacin™ in the US, the Company's clinical research organisation completed the Phase 3 study protocol, together with a "Type C" meeting request, with the FDA for the product development of Fortacin™. We are hopeful that after providing a fulsome reply to the FDA's advice and request letter and incorporating the FDA's recommendations and suggestions into the Phase 3 study protocol, that the Company can proceed with its Phase 3 study shortly after the "Type C" meeting, which is scheduled at the end of Q3 2022.

- In respect of Europe, Recordati has engaged with an alternative European third-party manufacturer for manufacturing Fortacin™ over the last 18 months to source alternative commercial supply for Fortacin™. This manufacturer has completed the necessary process validation batches and at the 3-month time point the product remained within specification. Recordati has submitted a type II variation to the EMA for adding the European manufacturer to the marketing dossier as an alternative manufacturer with approval expected by Q3 2022. Once the new manufacturer is approved, it is expected that commercial supply will resume for Recordati's territories. We are hopeful that this new manufacturer will be able to offer continuous supply of Fortacin™ to Recordati and our other commercial strategic partners bringing in royalty revenue for the Group.

- In respect of the other territories, once commercial supply of Fortacin™ has resumed, Orient EuroPharma will be in the position to place new orders and continue sales in Taiwan, Hong Kong and Macau (subject to no further COVID-19 lockdowns or restrictions being put in place). Orient EuroPharma is proceeding

with obtaining marketing authorisation approval in Singapore, Philippines, Malaysia, Brunei, Thailand and Vietnam. In Q2 2022, SK-Pharma submitted its marketing authorisation in Israel and is hopeful that it will receive approval by Q4 2023. The Company, its regulatory consultant and SK-Pharma are now preparing the marketing authorisation for certain countries in the Balkan region. The Group is in discussions for "out licencing" the rights to Fortacin™ to (i) a Japanese pharmaceutical company for Japan, and (ii) a pharmaceutical company based in the United Arab Emirates for the Gulf Cooperation Council ("**GCC**") region (Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman).

- From a business development standpoint, the Group has continued to implement and integrate Deep Longevity, acquired in December 2020, with our existing business. Deep Longevity is continuing its growth journey with multiple initiatives around building out the team, product, technology and commercial models. DLL, a wholly-owned subsidiary of Deep Longevity, has taken the significant step of hiring a new and experienced CEO, Deepankar (Deep) Nayak, to redefine the strategy of the company, and take the organisation forward. Deep Longevity is committed to building and commercialising various aging clocks using its AI led deep learning models.

- Pursuant to the Group's stated divestment strategy and, should the need arise, pursuant to its disposal mandate obtained from the Shareholders on 14 March 2022, the Group has actively managed, including certain disposals of, its existing and strategic investment in DVP, representing approximately 1.47% of the share capital of the company as at 30 June 2022. The Group's investment in DVP had a realised and an unrealised loss of approximately US$1.00 million and US$3.36 million respectively and a marked-to-market value of approximately US$3.25 million as at 30 June 2022.

With a streamlined focus, the Company remains optimistic about the future prospects for the Group and the Shareholders and will: (i) continue to pursue the successful commercialisation of Fortacin™/Senstend™ in the remaining key markets of the US, China, Asia, Latin America and the Middle East; (ii) commercialise its deep learning aging clock technology and MindAge© offering, together with partnering with clinics, laboratories and insurance companies by offering its AgeMetric™ reports and access to its online platform; (iii) continue monitoring its investments in DVP; and (iv) continue with its existing strategy of pursuing strategic and value-led investments in the healthcare and life sciences sectors.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	(Unaudited) For the six months ended 30 June 2022 US$'000	2021 US$'000
Revenue:	3		
Milestone and royalty income		13	3,274
Other income		75	469
		88	3,743
Exchange (losses)/gains, net		(464)	54
Fair value (loss)/gain on financial instruments	4	(5,043)	15,240
Total income and fair value (loss)/gain on financial instruments		(5,419)	19,037
Expenses:			
Employee benefit expenses		(1,723)	(2,882)
Rental and office expenses		(293)	(300)
Information and technology expenses		(81)	(82)
Marketing costs		(4)	(42)
Professional and consulting fees		(266)	(240)
Research and development expenses		(603)	(1,597)
Amortisation of intangible assets		(12,341)	(11,151)
Other operating expenses		(40)	(240)
Operating (loss)/profit	4	(20,770)	2,503
Finance costs	5	(580)	(645)
(Loss)/profit before taxation		(21,350)	1,858
Tax credit	6	1,288	803
(Loss)/profit for the period		(20,062)	2,661

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	(Unaudited) For the six months ended 30 June 2022 US$'000	2021 US$'000
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income		—	166
Item that may be reclassified subsequently to profit or loss:			
Exchange gains on translation of financial statements of foreign operations		426	25
Other comprehensive income for the period, before and net of tax		426	191
Total comprehensive income for the period		(19,636)	2,852
(**Loss**)**/profit for the period attributable to:**			
Shareholders of the Company		(20,062)	2,661
Total comprehensive income attributable to:			
Shareholders of the Company		(19,636)	2,852
(**Loss**)**/earnings per share attributable to shareholders of the Company during the period**	7	US cents	US cents
– Basic		(0.836)	0.111
– Diluted		(0.836)	0.110
		HK cents	HK cents
– Basic		(6.542)	0.862
– Diluted		(6.542)	0.854

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	(Unaudited) 30 June 2022 US$'000	(Audited) 31 December 2021 US$'000
ASSETS AND LIABILITIES			
Non-current assets			
Goodwill		—	—
Property, plant and equipment		544	784
Intangible assets		36,312	48,654
Interest in an associate		1	1
Financial assets at fair value through other comprehensive income		—	—
		36,857	49,439
Current assets			
Financial assets at fair value through profit or loss		3,269	10,514
Trade receivables	8	2	—
Prepayments, deposits and other receivables		567	461
Derivative financial instruments		511	1,202
Cash and bank balances	11	220	613
		4,569	12,790
Current liabilities			
Trade payables, deposits received, accruals and other payables	9	(4,485)	(4,496)
Bank borrowings		(8)	(9)
Convertible notes		(2,566)	(2,338)
Shareholder's loans		(7,923)	(3,597)
Lease liabilities		(498)	(483)
		(15,480)	(10,923)
Net current (liabilities)/assets		(10,911)	1,867
Total assets less current liabilities		25,946	51,306
Non-current liabilities			
Bank borrowings		(23)	(29)
Lease liabilities		(46)	(301)
Shareholder's loans		(2,950)	(7,253)
Deferred tax liabilities		(3,666)	(4,954)
		(6,685)	(12,537)
NET ASSETS		19,261	38,769
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital		23,994	23,994
Reserves		(4,733)	14,775
TOTAL EQUITY		19,261	38,769
NAV per share:			
– US cents		0.80	1.62
– HK cents		6.28	12.60

Notes:

1. General information and basis of preparation

The Company was incorporated in the Cayman Islands with limited liability. Its registered office is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's shares are listed on the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

The Company is engaged in investment holding, and the principal activities of the Group consist of investments in biopharma companies and other corporate investments.

The interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and HKAS 34 "Interim Financial Reporting" issued by the HKICPA. The interim financial statements were authorised for issue on 30 August 2022.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2021, except for the adoption of the HKFRS(s) (which include individual HKFRSs, HKASs and interpretations) effective for the first time for periods beginning on or after 1 January 2022 as disclosed in note 2 to the interim financial statements.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021.

In preparing the interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to its 2021 annual financial statements.

The Group has incurred a loss of approximately US$20,062,000 for the six months ended 30 June 2022 and, as of that date, its current liabilities exceeded its current assets by approximately US$10,911,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In assessing the Group's ability to continue as a going concern, the Company has prepared a cash flow projection covering a period of 15 months from the end of the reporting period, which included the following considerations:

(i) partial or full disposal of the Group's interest in DVP;

(ii) planning to raise new capital by carrying out fund raising activities;

(iii) an undertaking of the substantial shareholder to defer repayment of shareholder's loans until the Group is in a position to meet all its obligations; and

(iv) a shareholder's loan agreement with a principal amount of US$2.52 million was entered into on 18 August 2022. The loan was unsecured, interest bearing at 5.50% per annum and repayable on the date falling six months after the date of the agreement.

Having regard to the cash flow projection referred to above, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the end of the reporting period notwithstanding that the above events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to reclassify all non-current assets and non-current liabilities as current assets and current liabilities respectively, to reduce the carrying amounts of assets to their estimated net realisable amounts, and to provide for any further liabilities which may arise. The effect of these potential adjustments has not been reflected in the interim financial statements.

2. Adoption of new or revised HKFRSs

In the current period, the Group has applied for the first time the following amendments to HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2022:

Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual improvements to HKFRSs 2018-2020	

Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Annual Improvements to HKFRSs 2018-2020

The annual improvements amends a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permits a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to HKFRSs.

- HKFRS 9, Financial Instruments, which clarifies the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

- HKFRS 16, Leases, which amends Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The adoption of the amendments did not have any significant impact on the financial performance and financial position of the Group.

At the date of authorisation of these financial statements, the following new or revised HKFRSs potentially relevant to the Group's financial statements, that have been published but are not yet effective and have not been adopted by the Group:

Amendments to HKAS 1 and HK Interpretation 5 (2020)	Classification of Liabilities as Current or Non-current and Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

[1] Effective for annual periods beginning on or after 1 January 2023.

[2] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Interpretation 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Interpretation 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies

The amendments to Disclosure of Accounting Policies were issued following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed. The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to HKAS 8, Definition of Accounting Estimates

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or losses resulting from remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to extent of the unrelated investors' interests in new associate or joint venture.

The Directors do not anticipate that the application of the above new or amendments to standards in the future will have a material impact on the Group's financial statements.

3. Revenue and segment information

Revenue of the Group consists of milestone and royalty income and other income. An analysis of the Group's revenue for the period is as follows:

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
Milestone and royalty income	13	3,274
Other income		
Over-provision of interest on tax payable (note (a))	—	379
Over-provision of long-service payment	59	80
Government grants (note (b))	15	8
Sundry income	1	2
	75	469
	88	3,743

Notes:

(a) As announced on 18 March 2019, the Company entered into a settlement agreement with the ATO in respect of a dispute arising from the capital gains tax payable on the disposal in 2013 of an investment in BC Iron Limited by the Group for an amount of A$9.50 million (or approximately US$6.67 million), payable within 90 days of the date of the settlement agreement.

On 3 May 2021, the ATO confirmed acceptance of A$5 million (or approximately US$3.75 million) as full and final payment of the outstanding tax debts. Therefore, the Company reversed an over-provided interest expenses of approximately of A$491,000 (or approximately US$379,000), which was booked as other income, for the six months ended 30 June 2021.

(b) During the six months ended 30 June 2022, a Hong Kong government grant of approximately US$15,000 was received by the Group under the "Employment Support Scheme" launched from the "Anti-epidemic Fund".

During the six months ended 30 June 2021, a UK government grant of GBP 6,000 (or approximately US$8,000) was received by the Group as financial support to its wholly-owned UK based subsidiary during COVID-19.

There were no unfulfilled conditions relating to the grants.

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the CEO for his decision about resources allocation to the Group's business components and for his review of the performance of those components. The business components in the internal financial information reported to the CEO are determined following the Group's major product and service lines.

For management purpose, the Group's two product and service lines are identified as operating segments as follows:

Biopharma	:	Research, development, manufacturing, marketing and sale of pharmaceutical products and development of AI systems for the field of biological aging clocks
Corporate Investment	:	Investment in corporate entities, both listed and unlisted

These operating segments are monitored and strategic decisions are made on the basis of segment operating results. There were no sales between the reportable segments.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- tax credit

is not included in arriving at the operating results of the operating segment.

Segment assets include all assets except for interest in an associate.

Segment liabilities exclude convertible notes, shareholder's loans and deferred tax liabilities.

Information regarding the Group's reportable segments is set out below:

For the six months ended 30 June 2022

	(Unaudited)		
	Biopharma US$'000	Corporate Investment US$'000	Total US$'000
Revenue from external customers	13	—	13
Segment results and consolidated loss before tax credit	(13,172)	(8,178)	(21,350)

As at 30 June 2022

	(Unaudited)		
	Biopharma US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	36,531	4,894	41,425
Interest in an associate			1
Total assets			41,426
Segment liabilities	(280)	(4,780)	(5,060)
Convertible notes			(2,566)
Shareholder's loans			(10,873)
Deferred tax liabilities			(3,666)
Total liabilities			(22,165)

For the six months ended 30 June 2021

	(Unaudited)		
	Biopharma US$'000	Corporate Investment US$'000	Total US$'000
Revenue from external customers	3,274	—	3,274
Segment results and consolidated (loss)/profit before tax credit	(9,917)	11,775	1,858

As at 31 December 2021

	(Audited)		
	Biopharma US$'000	Corporate Investment US$'000	Total US$'000
Segment assets	49,013	13,215	62,228
Interest in an associate			1
Total assets			62,229
Segment liabilities	(482)	(4,836)	(5,318)
Convertible notes			(2,338)
Shareholder's loans			(10,850)
Deferred tax liabilities			(4,954)
Total liabilities			(23,460)

Disaggregation of revenue

Disaggregation of revenue from the Group's Biopharma segment and timing of revenue recognition are as follows:

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
Timing of revenue recognition		
At a point in time		
Milestone income	—	3,200
Royalty income	13	74
	13	3,274
By geographical location of external customers		
China	—	3,200
Europe	13	74
	13	3,274

The geographical location of revenue from external customers is based on the location of customers of the Group's Biopharma segment.

Information about major customers

Revenue from customers of the Group's Biopharma segment contributing 10% or more of the Group's revenue is as follows:

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
Customer A	—	3,200
Customer B*	13	74

* The revenue from this customer did not contribute 10% or more of the total revenue of the Group for the six months ended 30 June 2021.

4. Operating (loss)/profit

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
Operating (loss)/profit is arrived at after charging:		
Auditors' remuneration		
– audit services	—	—
– other services	45	49
Depreciation of:		
– Property, plant and equipment	9	11
– Right-of-use assets	234	236
Amortisation of intangible assets	12,341	11,151
Short-term lease expenses	7	7
Low-value assets lease expenses	2	2
Unrealised loss on derivative financial instruments[@]	691	—
Unrealised loss on FAFVPL[@]	3,355	—
Realised loss on FAFVPL[@]	997	—
Loss on disposal of property, plant and equipment	1	2
Equity-settled share-based payment to consultants	10	—
Foreign exchange losses, net	464	—
and crediting:		
Realised gain on disposal of FAFVPL[@]	—	19
Unrealised gain on derivative financial instruments[@]	—	3,046
Unrealised gain on FAFVPL[@]	—	12,175
Foreign exchange gains, net	—	54

[@] These amounts constitute the marked-to-market fair value loss on FAFVPL and derivative financial instruments of approximately US$5,043,000 (2021: gain of approximately US$15,240,000) in the consolidated statement of comprehensive income.

5. Finance costs

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
Imputed interest expenses on interest-free shareholder's loan	23	21
Interest expense on bank borrowings (note)	—	—
Interest expenses on shareholder's loans	252	252
Interest expense on lease liabilities	24	40
Interest expense on tax payable	—	98
Implicit interest expense on Convertible Notes	281	234
	580	645

Note: The interest expense on bank borrowings for the six months ended 30 June 2022 is less than US$1,000 (2021: less than US$1,000).

6. Tax credit

The amount of tax credit in the condensed consolidated statement of comprehensive income represents:

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
Outside Hong Kong		
– Withholding tax	—	(320)
– Deferred tax credit	1,288	1,123
	1,288	803

No provision for profits tax has been made in the interim financial statements as all the Group's companies which are subject to such tax have sustained losses for taxation purposes for the periods ended 30 June 2022 and 2021. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

A tax credit of approximately US$1,288,000 (2021: US$1,123,000) for the period ended 30 June 2022 represents the deferred tax credit arising on the amortisation charge for the period relating to the intangible assets of the patent Fortacin™ and IP (Deep Longevity).

7. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to the shareholders for the period and on the weighted average number of ordinary shares in issue during the period.

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
(Loss)/profit attributable to shareholders of the Company	(20,062)	2,661
Weighted average number of ordinary shares in issue	2,399,421,215	2,399,421,215
Basic (loss)/earnings per share (US cent)	(0.836)	0.111

The computation of diluted loss per share for the period ended 30 June 2022 does not assume the conversion of the outstanding share options and the outstanding Convertible Notes as their exercise would result in a decrease in loss per share for the period. Accordingly, diluted loss per share is the same as the basic loss per share for the period ended 30 June 2022.

	(Unaudited) For the six months ended 30 June	
	2022	2021
	US$'000	US$'000
(Loss)/profit attributable to shareholders of the Company	(20,062)	2,661
Weighted average number of ordinary shares in issue	2,399,421,215	2,399,421,215
Effective of dilutive potential ordinary shares:		
– share options	—	15,316,610
Adjusted weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	2,399,421,215	2,414,737,825
Diluted (loss)/earnings per share (US cent)	(0.836)	0.110

Diluted earnings per share for the period ended 30 June 2021 was calculated based on the profit attributable to shareholders of the Company by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and exclude the conversion of the Company's outstanding Convertible Notes as they are anti-dilutive.

8. Trade receivables

At 30 June 2022 and 31 December 2021, the ageing analysis of trade receivables, based on invoice dates, was as follows:

	(Unaudited) As at 30 June 2022 US$'000	(Audited) As at 31 December 2021 US$'000
Within 1 month	2	—

The Group applies credit policies appropriate to the particular business circumstances concerned generally requires outstanding amounts to be paid within 20 to 30 days (31 December 2021: 20 to 30 days) of invoice.

9. Trade payables, deposits received, accruals and other payables

	(Unaudited) As at 30 June 2022 US$'000	(Audited) As at 31 December 2021 US$'000
Trade payables	104	216
Deposits received, accruals and other payables	4,381	4,280
	4,485	4,496

At 30 June 2022 and 31 December 2021, the ageing analysis of trade payables, based on invoice dates, was as follows:

	(Unaudited) As at 30 June 2022 US$'000	(Audited) As at 31 December 2021 US$'000
Within 1 month or on demand	43	209
After 1 month but within 3 months	16	—
After 3 months but within 6 months	45	7
	104	216

The FV of trade payables, deposits received, accruals and other payables approximates their respective carrying amounts at the reporting date.

10. Dividends

No interim dividend has been declared or paid in respect of the six months ended 30 June 2022 (2021: nil).

11. Charge on assets

As at 30 June 2022, a bank deposit amounting to US$32,000 is a deposit held by the bank as security for the corporate credit cards provided to a subsidiary of the Company (31 December 2021: nil).

12. Events after reporting date

On 17 August 2022, the Board announced that through a series of transactions from 8 July 2022 up to and including 16 August 2022, the Company disposed of an aggregate of 1,072,876 DVP shares on the open market on ASX for an aggregate consideration, before expenses, of approximately A$2.51 million in cash (or approximately US$1.74 million).

On 23 August 2022, the Company repaid the Convertible Notes by cash in full.

REVIEW AND PROSPECTS

MAIN ACTIVITIES

The six-month period ended 30 June 2022 was another challenging one for the Group as it experienced unprecedented external factors such as the war in Ukraine, Europe's energy crisis, COVID-19 lockdowns/restrictions in China and tighter monetary policy due to increased inflationary pressures all of which have resulted in an overall slowing of global growth. Further broader market volatility is expected to continue in 2022 and we anticipate the lag effect of inflationary pressures to continue through the 2023 financial year, along with continued labour market tightness and supply chain constraints coupled with growing recession fears which we believe will lead to further economic and market uncertainty for the remainder of 2022 and as we head into 2023.

During the first half of 2022, China and Hong Kong continued to adopt a zero tolerance COVID-19 policy which has had, and continues to have, a material impact on businesses (including the Group's headquarters in Hong Kong) and hampered economic growth. A number of countries in which we operate have removed the restrictions on the movement of populations and businesses are beginning to operate under more normal circumstances albeit with supply chain disruptions.

While our staff in Hong Kong have returned to work in the office, it remains unclear what will evolve into the remainder of 2022 especially as Hong Kong is firmly committed to a zero COVID-19 strategy. However, we will continue to monitor the situation closely while at all times following local government guidelines and policies and seeking to ensure the safety and health of our employees.

We are of course monitoring the evolving human tragedy in Ukraine, where at the moment we are not experiencing any material impact to our business. The Group is also continually monitoring the sanction measures applied by the European Union, UK and US to ensure we comply with the sanction orders. However, like COVID-19 this is clearly difficult to predict exactly what will happen as events unfold, the impact of the escalation of conflict in the region on our business and that of our partner. We would say, pharmaceuticals from what we have seen historically, is a more resilient business, than many others, it is typically a sector that is protected from sanctions, obviously from the interest of patients. Of course, the first thought at times like this is towards the safety and well-being of the Ukrainian people.

During the period, the Group generated a loss attributable to shareholders of the Company of approximately US$20.06 million, which was mainly attributable to: (i) an amortisation charge of approximately US$12.34 million on the intangible assets, being a non-cash item; (ii) a realised and an unrealised marked-to-market loss in respect of the Company's equity portfolio of FAFVPL of approximately US$1.00 million and US$3.36 million respectively; (iii) the Group's operating and R&D expenses of approximately US$3.01 million; and (iv) an unrealised loss in respect of the Company's derivative financial instruments of approximately US$0.69 million.

Shareholders' equity fell to US$19.26 million, a decrease of approximately 50.32% as compared with that at 31 December 2021, with the decrease being the loss attributable to shareholders of the Company.

Plethora Solutions (Fortacin™)

China

Wanbang Biopharmaceutical registered in December 2021 with the Centre of Drug Evaluation (http://www.chinadrugtrials.org.cn/clinicaltrials.searchlist.dhtml) three drug trials that are required in support of the NDA to NMPA. During the first half of 2022, two Phase 1 studies have been successfully completed and the remaining Phase 3 study remains ongoing. Despite certain COVID-19 lockdowns and restrictions being experienced in China, the Phase 3 study has commenced with 210 patients having signed informed consent forms to enter the study (approximately 70% complete) and 128 subjects having been randomised into the study (approximately 40% complete) as of 22 July 2022. Wanbang Biopharmaceutical has advised the Company that even with the aforementioned COVID-19 lockdowns and restrictions, enrolment and randomisation is estimated to complete in November 2022, only one month later than previously advised.

The Company, its regulatory consultant and Wanbang Biopharmaceutical have commenced the preparatory phase for preparing the NDA to NMPA with the aim of submitting the NDA by the end of Q2 2023.

A brief summary of the key points of the study are:

Registration of study:	December 2021
Study type:	Phase 3 clinical trial, multi-centre, randomised, double-blinded placebo controlled study
Estimated enrolment:	285 subjects (210 enrolled and 128 subjects have been randomised as of 22 July 2022)
Primary endpoint:	To determine the effects of Senstend™ on the Index of Premature Ejaculation and the Intra-vaginal Ejaculation Latency Time
Secondary endpoint:	To evaluate the safety and tolerability of Senstend™ in Premature Ejaculation subjects and their sexual partners
Estimated completion of enrolment:	November 2022
NMPA submission:	Q2 2023

All costs of the clinical trials, including all other associated regulatory and submission costs are being met by Wanbang Biopharmaceutical.

If the clinical study meets its endpoints and the NMPA grants an import licence for Senstend™, US$5 million (before deduction of PRC withholding tax) will be payable to the Group from Wanbang Biopharmaceutical. In addition, upon first commercial sale of Senstend™ in China, US$2 million (before deduction of PRC withholding tax) shall be payable to the Group from Wanbang Biopharmaceutical.

To this end, the Company remains pleased with the progress to date and looks forward to working together with Wanbang Biopharmaceutical and its regulatory consultant to achieving these important milestones.

United States Approval and Commercialisation Progress

On 22 December 2021, the Company submitted the Phase 2 study results entitled: "A Pilot, Randomized, Double-Blind Study Comparing the Proportion of Responders to PSD502 and Placebo using the PEBEQ™ in subjects with Premature Ejaculation" to the FDA. The FDA reviewed our qualitative and quantitative summary reports and provided comments regarding the Final Qualitative Exit Interview Report (Qualitative Exit Interviews in a Randomized, Double-Blind Multicentre Study Comparing the Proportion of Responders to PSD502 and to Placebo Using the PEBEQ™ in Subjects with Premature Ejaculation) on 13 April 2022. The Company, after consulting with its regulatory consultants, submitted its reply to the FDA's advice and information request letter on 4 June 2022.

After incorporating the FDA's suggestions and recommendations into the Phase 3 protocol, the Company's clinical research organisation has also completed the Phase 3 study protocol, together with a "Type C" meeting request, with the FDA for the product development of Fortacin™. We are hopeful that after providing a fulsome reply to the FDA's advice and request letter and incorporating the FDA's recommendations and suggestions into the Phase 3 study protocol, that the Company can proceed with its Phase 3 study shortly after the "Type C" meeting, which is scheduled at the end of Q3 2022. We view the commencement of the Phase 3 study as a major positive development in the Company's path for commercialising Fortacin™ in the US. In particular, the start of the Phase 3 study should allow the Company to advance negotiations to a final conclusion in respect of "out licencing" the US rights to Fortacin™ to a US strategic pharmaceutical partner.

Manufacturing and Resumption of Commercial Supply

As previously announced, in mid-December 2021 the Company's regulatory consultant submitted a variation for widening the specification of PGAK-1 and total impurities. In this respect, we are pleased to report that on 25 April 2022, the Medicines and Health products Regulatory Agency ("**MHRA**") approved the Company's variation submission on behalf of Senstend™ to (i) to widen the PGAK-1 impurity to 1%, from 0.5%, and total impurities to 2%, from 1%, and (ii) to increase the shelf life of Senstend™ to 24 months, from 18 months. In light of MHRA's approval, Recordati is now considering whether it will submit the same variations on behalf of Fortacin™ to the EMA and MHRA. Notwithstanding this, Recordati has engaged with an alternative European third-party manufacturer for manufacturing Fortacin™

over the last 18 months to source alternative commercial supply for Fortacin™. We are extremely pleased to report that this manufacturer has completed the necessary process validation batches and at the 3-month time point the product remained within specification. With this positive news, Recordati has on 28 June 2022 submitted a type II variation to the EMA for adding the European manufacturer to the marketing dossier as an alternative manufacturer with approval expected by Q3 2022. Once the new manufacturer is approved, it is expected that commercial supply will resume for Recordati's territories. We are hopeful that this new manufacturer will be able to offer continuous supply of Fortacin™ to Recordati and our other commercial strategic partners bringing in royalty revenue for the Group.

Other territories

Once commercial supply has resumed, Orient EuroPharma will be in the position to place new orders and continue sales in Taiwan, Hong Kong and Macau (subject to no further COVID-19 lockdowns or restrictions being put in place). Orient EuroPharma is proceeding with obtaining marketing authorisation approval in Singapore, Philippines, Malaysia, Brunei, Thailand and Vietnam.

In Q2 2022, SK-Pharma submitted its marketing authorisation to the Ministry of Health in Israel and is hopeful that it will receive approval by Q4 2023. The Company, its regulatory consultant and SK-Pharma are now preparing the marketing authorisation for certain countries in the Balkan region.

The Group is in discussions for "out licencing" the rights to Fortacin™ to (i) a Japanese pharmaceutical company for Japan, and (ii) a pharmaceutical company based in the United Arab Emirates for the GCC region (Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman).

The Group will continue to work closely and diligently with its current and prospective commercial partners and will keep the Shareholders and potential investors informed of any new developments as and when they occur.

Deep Longevity

Deep Longevity is continuing its growth journey with multiple initiatives around building out the team, product, technology and commercial models.

DLL has taken the significant step of hiring a new CEO, Deepankar (Deep) Nayak, bringing experienced professional talent to redefine the strategy of the company, and take the organisation forward. Deep has over 17 years of experience in technology consulting having worked with large pharmaceutical customers in the US, UK, Europe, Japan and the Middle East. During his career he has worn multiple hats, consulting with customers, building large enterprise applications, leading large technical and delivery teams, sales and relationship management in various leadership roles. His proven experience in commercialising technology and software as a service (SaaS)© solutions with large enterprise customers will be invaluable.

Deep Longevity is committed to building and commercialising various aging clocks using its AI led deep learning models, with a special focus on our MindAge© offering as we seek to tap into the robust demand growth seen in the mental health virtual market.

At this stage, we are considering the creation of an enterprise grade MindAge© offering (web and app based) directed at large and mid-sized employers, which will be the platform of choice for employees to manage their virtual mental well-being in a safe, secure, private, personalised environment within the workplace. This will be our focus for the remainder of 2022 and going into 2023.

We will look to target the virtual mental health sector that has an estimated total addressable market of US$89 billion by prioritising medium to large size employers in the developed markets of US, UK & Europe in 2023.

Deep Longevity joined Kickstart's innovation 2022 accelerator programme and we are happy to announce that we were selected by Kickstart as one of the 43 most promising start-ups/scaleups amongst 1,500+ applications from over 55 countries around the world. Deep Longevity will now, as part of the Kickstart Programme, discuss proof of concepts ("**PoCs**") with various insurance and corporate partners in the health and wellbeing sector. We are looking forward to bringing our deep learning AI Aging Clocks to insurance companies and other corporates to help improve the lifespan and health and wellbeing of their employees and customers. There is a tremendous opportunity to transform underwriting in the life and health insurance sector and with our leading Aging Clocks we are well placed to do this in scalable and

inexpensive manner. We are delighted to be chosen to partner with corporates in the Kickstart Health and Wellbeing vertical and look forward to announcing PoCs over the coming months.

Kickstart is interested in innovative digital health and wellbeing start-ups with a validated business model and the potential to add value to the healthcare ecosystem. Kickstart welcomes start-ups that are eager to enter/scale and to collaborate with our partners on improving patient experiences, efficiency, and real-world outcomes. Kickstart builds innovation ecosystems with purpose – by fast forwarding innovation that creates a more sustainable future. To do this, Kickstart brings together public and private organisations, start-ups, investors and experts. Kickstart's goal is to deliver next-generation products and services and have a meaningful impact at scale.

As a first step in our pathway of creating a virtual mental offering through our deep biomarkers of aging and longevity, on 21 June 2022 Deep Longevity announced its collaboration with Dr. Nancy Etcoff of Harvard Medical School. Dr. Etcoff is widely recognised in the field of psychology and is a member of the Harvard University Mind/Brain/Behaviour Initiative where she teaches a seminar on "The Science of Happiness." She is also a practicing psychologist at the Massachusetts General Hospital Department of Psychiatry where she is the director of the Programme in Aesthetics and Well Being.

Deep Longevity, in co-authorship with Dr. Etcoff, has published an article in *Aging-US* describing a machine learning approach to human psychology: "Optimizing future well-being with AI: Self-organizing maps (SOMs) for the identification of islands of emotional stability." The article serves as the scientific background for a free self-help application, FuturSelf, developed by Deep Longevity.

The authors used data from the Midlife in the US study (www.midus.wisc.edu) to create two digital models of human psychology.

The first model is an ensemble of deep neural networks that use information from a psychological survey to predict the chronological age of the respondents and their psychological well-being in 10 years. This model demonstrates the aging-related trajectories of the human mind. It also shows that the ability to build meaningful relationships increases with age, as do mental autonomy and environmental mastery. It simultaneously indicates that the focus on personal growth steadily declines, and the feeling of having a purpose in life only drops after 40–50 years. These findings contribute to the discussion of socioemotional selectivity and hedonic adaptation in the context of adult personality development.

The second model is a self-organizing map developed as the backbone of a recommendation engine for mental health applications. This automated learning technique divides all respondents into clusters based on their risk of developing depression and identifies the shortest path toward a cluster of mental stability for any individual. Alex Zhavoronkov, the Chief Longevity Officer of Deep Longevity, elaborates, *"Existing mental health applications offer generic advice that applies to everyone yet fits no one. We have built a system that is scientifically sound and offers superior personalization."*

To demonstrate this system's potential, Deep Longevity has developed FuturSelf (https://futurself.ai), in collaboration with a leading European insurtech innovation hub, as a "proof of concept" application that lets users take the psychological test described in the original publication. At the end of the assessment, users receive a report with insights aimed at improving their long-term mental health and well-being and can enroll in a guidance programme that provides them with a steady flow of AI-chosen recommendations. The proof of concept has the purpose of delivering the innovation envisioned during the design collaboration and to definitively demonstrate the efficacy of the technology. Data obtained on FuturSelf will be used to further develop Deep Longevity's digital approach via a minimal viable product (MVP) to mental health with the aim of offering the application via a business-to-business (B2B) software as a service (SaaS)© model to insurance companies, large corporates and other employers to allow their employees to track their own mental health and wellbeing.

In recent years, given the worldwide pandemic and its impact on workplace changes (including an increased emphasis on remote work and the associated psychological effects), large employers have developed a keen awareness of the importance of employees' mental health. In order to address how mental health can be tracked to help employees better cope with job demands and maximize their productivity, Deep Longevity is focused on providing highly scalable and commercial solutions that can be applied cost effectively across all industries. Using Deep Longevity's digital approach to managing mental health, an invaluable feedback loop is created that can help employees thrive by increasing their motivation and productivity or allowing them to seek important emotional support when required. On a per-employee basis, the cost to employers to provide this essential human resource function can be minimal. Ongoing discussions with large insurance companies and other multinational corporations suggest that the commercial opportunity for Deep Longevity (through FuturSelf and other applications) is immense and geographically scalable across all markets world-wide.

Legacy Investments

Pursuant to the Group's stated divestment strategy and, should the need arise, pursuant to its disposal mandate obtained from the Shareholders on 14 March 2022, the Group has actively managed, including certain disposals of, its existing and strategic investment in DVP, representing approximately 1.47% of the share capital of the company as at 30 June 2022. The Group's investment in DVP had a realised and an unrealised loss of approximately US$1.00 million and US$3.36 million respectively and a marked-to-market value of approximately US$3.25 million as at 30 June 2022.

During the period ended 30 June 2022, the Group disposed of 1,391,012 DVP shares for an aggregate consideration, before expenses, of approximately A$3.97 million in cash (or approximately US$2.89 million).

Plethora's Financial Results

Plethora recorded an operating loss of approximately GBP 0.37 million (or approximately US$0.48 million) for the six months period ended 30 June 2022 (2021: an operating profit of approximately GBP 0.92 million (or approximately US$1.28 million)), excluding the amortisation cost of an intangible asset, Fortacin™, and the tax credit in respect of the deferred tax liability.

The operating profit of Plethora for the six months ended 30 June 2022, mainly included: (i) the milestone and royalty income of approximately GBP 10,000 (or approximately US$13,000) (2021: approximately GBP 2.38 million (or approximately US$3.27 million) which being offset by: (ii) R&D costs related to the regulatory and phase II validation study in respect of the FDA approval process of Fortacin™ in the US of approximately GBP 0.24 million (or approximately US$0.32 million) (2021: approximately GBP 0.95 million (or approximately US$1.32 million)) and (iii) G&A expenses of approximately GBP 0.13 million (or approximately US$0.17 million) (2021: approximately GBP 0.28 million (or approximately US$0.36 million)).

Plethora had cash resources of approximately GBP 42,000 (or approximately US$52,000) (31 December 2021: approximately GBP 122,000 (or approximately US$166,000)), with ongoing financial support being provided by the Group.

INTERIM DIVIDEND

The Directors have resolved not to declare an interim dividend in respect of the six months ended 30 June 2022 (2021: nil).

OUTLOOK

The economic rebound, post-COVID-19, has continued with global gross domestic product ("**GDP**") in Q1 around 4.8% above its pre-COVID-19 level and only 1.5% below its pre-COVID-19 trend. However, high inflation, the war in Ukraine and tighter monetary conditions, along with lockdowns in China, have combined to cause the underlying pace of expansion to moderate significantly. The fall was largely contributed to by China, where the lockdowns likely saw GDP fall by around 2% for the period. In the rest of the world, growth was also weak, with GDP expected to be up only a modest 0.25%. In the US, much of the weakness is attributable to a softer pace of inventories accumulation and falling exports, with domestic demand generally remaining robust. We are also beginning to witness a more fundamental slowdown in the UK and Europe, where high energy prices, and the resultant fall in real wages, are beginning to impact on growth prospects.

Into next year the outlook is rather bleak, exacerbated by elevated inflation. Many of the world's major economies, including the US, UK, Europe and Japan, are likely to enter recession over the next 12 to 18 months, as strong inflation weighs on real incomes and sentiment, and as monetary policy moves from being highly accommodative to contractionary.

Over the remainder of 2022, risks are skewed towards the downside given the possibility that falling risk assets will drive the advanced economies into recession sooner than expected. A sharper slowdown is more likely than a soft landing. Energy markets remain a key risk and if Russia were to weaponise the flow of energy commodities to Europe, further dramatic price increases would follow almost certainly pushing Europe and the rest of the world into a deeper recession. With China and Hong Kong planning to stick with the zero COVID-19 policy for the foreseeable future, it is likely that China will have further outbreaks and lockdowns, which, given the large contribution China makes to global growth, will likely drive further output volatility and supply disruption. Finally, with the Federal Reserve Board (the "**Fed**") planning to reduce the size of its balance sheet from September 2022, the risks of significant financial volatility and poor market liquidity will build as the year progresses, potentially forcing the Fed to pause at some stage.

Given the complex and constantly evolving situation around the COVID-19 pandemic and the impacts of heightened inflation and dampened global growth, it is not possible to predict the possible future impacts it will have for the Group, including any further negative impacts on the Group's efforts to achieve a timely and successful commercialisation of Fortacin™ in China and elsewhere, as well as any subsequent impact on the Group's cash flow, net sales, profitability and prospects. It is therefore reasonable to assume that stock exchanges over the world will remain very volatile and shares may be subject to extraordinary swings. There is thus a risk that the price of the Company's shares might follow general market volatility, regardless of results and performance of the Group and decline significantly in value.

With a streamlined focus, the Company remains optimistic about the future prospects for the Group and the Shareholders and will: (i) continue to pursue the successful commercialisation of Fortacin™/Senstend™ in the remaining key markets of the US, China, Asia, Latin America and the Middle East; (ii) commercialise its deep learning aging clock technology and MindAge© offering, together with partnering with clinics, laboratories and insurance companies by offering its AgeMetric™ reports and access to its online platform; (iii) continue monitoring its investments in DVP; and (iv) continue with its existing strategy of pursuing strategic and value-led investments in the healthcare and life sciences sectors.

We wish to thank our Shareholders for their continued support and our employees for their hard work in another challenging period.

TRADING RECORD OVER LAST FIVE YEARS

	Six months ended 30 June	For the year ended 31 December				
	2022	2021	2020	2019	2018	2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Total income and fair value (loss)/gain on financial instruments	(5,419)	18,235	2,149	(313)	2,843	9,493
Income less expenses before reversal/(impairment losses) and provision	(20,770)	(13,873)	(24,880)	(38,114)	(33,971)	(27,403)
Reversal of impairment	—	—	6,126	—	—	—
Impairment losses	—	—	(5,700)	(26,000)	—	(1,875)
Operating loss after reversal/ (impairment losses) and provision	(20,770)	(13,873)	(24,454)	(64,114)	(33,971)	(29,278)
Finance costs	(580)	(1,218)	(1,706)	(620)	—	—
Gain on disposal of an associate	—	—	—	—	209	—
Share of results of associates	—	—	—	—	—	(1,067)
Loss before taxation	(21,350)	(15,091)	(26,160)	(64,734)	(33,762)	(30,345)
Tax credit/(taxation)	1,288	2,493	1,764	(1,265)	2,669	2,982
Loss for the period/year	(20,062)	(12,598)	(24,396)	(65,999)	(31,093)	(27,363)
Non-controlling interests	—	—	1	(49)	6	4
Loss attributable to shareholders of the Company	(20,062)	(12,598)	(24,395)	(66,048)	(31,087)	(27,359)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE

REVENUE AND PROFIT

The Group recorded a loss attributable to the shareholders of the Company of approximately US$20.06 million for the six months ended 30 June 2022 (2021: profit of approximately US$2.66 million).

The main elements of the (loss)/profit are analysed as follows:

	Notes	For the six months ended 30 June 2022 US$ million	2021 US$ million	Increase/ (decrease) in absolute value %
Milestone and royalty income	(i)	0.01	3.27	(99.69)
Other income		0.08	0.47	(82.98)
Net exchange (loss)/gain		(0.46)	0.05	N/A
Fair value (loss)/gain on financial instruments	(ii)	(5.04)	15.24	N/A
Amortisation of intangible assets		(12.34)	(11.15)	10.67
R&D expenditure	(iii)	(0.60)	(1.60)	(62.50)
G&A expenditure	(iv)	(2.42)	(3.77)	(35.81)
Finance costs		(0.58)	(0.65)	(10.77)
Tax credit	(v)	1.29	0.80	61.25
Total (loss)/profit attributable to shareholders of the Company		(20.06)	2.66	N/A

(i) The Group did not record a milestone payment for the six months ended 30 June 2022 (2021: US$3.20 million) as no milestones were triggered pursuant to its licence agreements. However, the Group recorded royalty income of approximately US$13,000 for the six months ended 30 June 2022 (2021: approximately US$74,000) which was lower due to no supply of Fortacin™ during the period as certain manufacturing issues were experienced by the manufacturer.

(ii) The Group recorded a realised and an unrealised marked-to-market loss on FAFVPL of approximately US$1.00 million and US$3.36 million respectively for the six months ended 30 June 2022 (2021: gain of approximately US$0.02 million and US$12.18 million respectively), which was mainly due to the significant decrease in the share price of DVP during the period (which has partially recovered post interim reporting period).

(iii) The R&D expenditure decreased by 62.50% to approximately US$0.60 million for the six months ended 30 June 2022 from approximately US$1.60 million for the six months ended 30 June 2021, which was a result of the completion of the Phase II study in 2021 and the delay in the start of the Phase III study in the US.

(iv) The G&A expenditure decreased by 35.81% to approximately US$2.42 million for the six months ended 30 June 2022 from approximately US$3.77 million for the six months ended 30 June 2021. The decrease was mainly due to reduction in salaries and fees during the period.

(v) The tax credit increased by 61.25% to approximately US$1.29 million for the six months ended 30 June 2022 from approximately US$0.80 million for the six months ended 30 June 2021. This was mainly because there were no withholding taxes for the six months ended 30 June 2022 (2021: US$320,000).

FINANCIAL POSITION

Shareholders' equity decreased by 50.32% to approximately US$19.26 million as at 30 June 2022 from approximately US$38.77 million as at 31 December 2021. The decrease was due to the loss attributable to shareholders of the Company of approximately US$20.06 million for the six months ended 30 June 2022.

The Group's assets also comprised: (i) intangible assets of approximately US$36.31 million, being Fortacin™ and the intellectual properties (Deep Longevity); (ii) listed and unlisted investments of approximately US$3.27 million; (iii) cash and bank balances of approximately US$0.22 million; (iv) trade receivables of approximately US$2,000; (v) derivative financial instruments of approximately US$0.51 million; and (vi) property, plant and equipment and other receivables of approximately US$1.11 million.

The Group's liabilities comprised: (i) deferred tax liabilities of approximately US$3.67 million; (ii) payables and accruals of approximately US$4.49 million; (iii) Convertible Notes (liability portion) of approximately US$2.57 million; (iv) long-term and short-term shareholder's loans of approximately US$10.87 million; (vi) long-term and short-term lease liabilities of approximately US$0.54 million; and (vii) long-term and short-term bank borrowings of approximately US$31,000.

STRATEGIC PLAN

The Board and the Company's senior management play an active role in the Company's strategy development and planning process. The CEO regularly interacts with the Board in respect of the strategic plan and direction of the Company, during which an agreed approach for the Company to generate and preserve its long-term value was determined, while agreeing shorter term priorities and objectives. In addition, the risks associated with the current operations and strategy of the Company are currently being tested by way of an internal audit process conducted through an independent service provider, with the aim of identifying ways in which the Company can better identify and manage its risks.

In order to generate or preserve value over the longer term, the Group is committed to:

- the divestment of non-core assets and investments to enable the Company to pursue growth and opportunistic investments in the life sciences sector;
- utilising international and local expertise to tackle difficult markets, deliver results and achieve global recognition; and
- employing the Company's Hong Kong listing through strong liquidity and access to international capital markets, together with maintaining our corporate governance and social responsibility standards in line with the policies set down by the Stock Exchange and best practice.

The Company is committed to creating shareholder value and returns through accretive acquisitions and returning surplus capital to shareholders by way of an effective dividend policy and share repurchase programme.

FUNDING

As at 30 June 2022, the Group had approximately US$0.22 million in cash that represented 1.14% of its total shareholders' equity, which does not take into account the Group's holding of securities of FAFVPL that amounted to approximately US$3.27 million.

GEARING RATIO

As at 30 June 2022, the gearing ratio (being long-term debts over total equity and long-term debts) was approximately 13.55% (31 December 2021: 16.36%).

MANAGEMENT OF RISK

The most significant risks affecting the profitability and viability in respect of the Group is the Group's interest in Plethora and the continued success and revenue derived from its listed equity portfolio.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2022.

SIGNIFICANT INVESTMENTS

As at 30 June 2022, the Group did not have any significant investment in equity interest in any other companies and did not own any properties (31 December 2021: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group did not have any material acquisition or disposal of subsidiary during the six months ended 30 June 2022.

MATERIAL CHANGES FOR THE INTERIM PERIOD

Saved as disclosed in this announcement, there were no significant changes in the Group's financial position and from the information disclosed under "Review and Prospects" and "Management's Discussion and Analysis of the Group's Performance" in this announcement for the six months ended 30 June 2022.

EVENTS AFTER REPORTING DATE

Please refer to note 12 to this announcement for details of events after the reporting date.

EMPLOYEES

The Group, including subsidiaries but excluding an associate, employed 18 employees and 10 consultants as at 30 June 2022 (2021: 18 employees and 14 consultants). The remuneration policy is to reward key employees by a combination of salaries, profit related discretionary bonuses and share options, where appropriate. For employees below Board level, remuneration will be determined by the Director(s) responsible for the division whilst, for Directors, remuneration is determined by the Remuneration Committee. In all cases, profit related discretionary bonuses and grants of share options will be agreed by the Remuneration Committee.

THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance. The Board is responsible for performing the corporate governance functions as set out under Code Provision A.2.1 of the CG Code.

During the six months ended 30 June 2022, the Company has complied with the Code Provisions set out in the CG Code. The corporate governance policy and practices adopted during the six months ended 30 June 2022 remained in line with those in place for the financial year ended 31 December 2021 as disclosed in the corporate governance report of the 2021 Annual Report.

The Board has six Directors, including one ED (being the CEO), two NEDs and three INEDs. The Chairman (who is a NED) leads and is responsible for running the Board. The CEO leads the management team and is responsible for running business and daily operations of the Company. The two roles are separate and performed by different individuals. In the course of overseeing management and business performance, the Board is assisted by the Audit Committee, the Remuneration Committee and the Nomination Committee, with each operating under written terms of reference as approved and reviewed from time to time by the Board. There are also an Investment Committee and an Inside Information Committee under the authority of the Board to oversee various matters, including but not limited to compliance and disclosure. At the July 2022 Board meeting, the Board established mechanisms to ensure independent views and input are available to the Board pursuant to Code Provision B.1.4 of the CG Code and adopted the Whistleblowing Policy and the Anti-Corruption Policy for compliance with Code Provisions D.2.6 and D.2.7 of the CG Code respectively.

THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted its own Securities Dealing Code regarding securities transactions by Directors and relevant employees on terms no less exacting than the required standards set out in the Model Code. Reminders are sent to Directors and relevant employees that they should comply with the restriction on dealing of the securities of the Company as specified in the Securities Dealing Code. The Securities Dealing Code is available on the Company's website.

Having made specific enquiries with the Directors, the Company confirmed that all Directors have complied with the required standards set out in the Securities Dealing Code and the Model Code during the six months ended 30 June 2022.

REVIEW OF UNAUDITED FINANCIAL INFORMATION

The unaudited consolidated financial information of the Group for the six months ended 30 June 2022 has been reviewed by the Audit Committee of the Company. The Directors acknowledge their responsibility for preparing the accounts and presenting a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. An explanation of the basis on which the Company generates or preserves value over the longer term (the business model) and the strategy for delivering the Company's objectives are set out in the paragraph headed "Strategic Plan" in the "Management's Discussion and Analysis of the Group's Performance" in this announcement.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION ON WEBSITES

This announcement is published on the websites of the Company (www.endurancerp.com) and the Stock Exchange (www.hkexnews.hk).

DESPATCH OF INTERIM REPORT

The 2022 Interim Report containing full details of the Company's unaudited consolidated interim results for the six months ended 30 June 2022 will be available on the websites of the Stock Exchange and the Company and be despatched to the Shareholders by the end of September 2022.

By Order of the Board
Endurance RP Limited
James Mellon
Chairman

Hong Kong, 30 August 2022

As at the date of this announcement, the Board comprises six Directors**:**

Executive Director:
Jamie Gibson *(Chief Executive Officer)*

Non-Executive Directors:
James Mellon *(Chairman)*
Jayne Sutcliffe

Independent Non-Executive Directors:
David Comba
Julie Oates
Mark Searle

* For identification purposes only

Definitions

In this interim results announcement, the following expressions shall have the following meanings unless the context indicates otherwise:

2021 Annual Report	the Company's annual report for the year ended 31 December 2021
2022 Interim Report	the Company's interim report for the six months ended 30 June 2022
AI	artificial intelligence
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
Board	Board of Directors of the Company
CEO	Chief Executive Officer
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
Company	Endurance RP Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange and are also traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange
Convertible Note(s)	the 4% coupon unlisted convertible notes due on 23 August 2022 issued by the Company on 23 August 2019 which are convertible into new Shares. Details are set out in the announcement of the Company dated 23 August 2019.
COVID-19	novel coronavirus disease of 2019
Deep Longevity	Deep Longevity, Inc, a wholly-owned subsidiary of the Company
Director(s)	director(s) of the Company

DLL	Deep Longevity Limited, a wholly-owned subsidiary of Deep Longevity
DVP	DEVELOP Global Limited, a public listed company incorporated in Australia, whose shares are listed on ASX (ASX: DVP)
ED	Executive Director of the Company
EMA	the European Medicines Agency
FAFVPL	financial assets at fair value through profit or loss
FDA	The Food and Drug Administration of the US
FV	fair value
G&A	general and administrative
Galloway	Galloway Limited, a private limited liability company which is indirectly wholly-owned by James Mellon, a substantial Shareholder who is also a NED and Chairman of the Board
Group	the Company and its subsidiaries
HKAS(s)	the Hong Kong Accounting Standard(s)
HKFRS(s)	new or revised Hong Kong Financial Reporting Standard(s)
HKICPA	the Hong Kong Institute of Certified Public Accountants
Hong Kong	Hong Kong Special Administrative Region of the PRC
INED(s)	Independent Non-Executive Director(s) of the Company
IP	intellectual property(ies)
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange

Macau	Macau Special Administrative Region of the PRC
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
NDA	New Drug Application
NED(s)	Non-Executive Director(s) of the Company
NMPA	the National Medical Products Administration
Orient EuroPharma	Orient EuroPharma Co., Ltd., the Group's commercial strategic partner for Taiwan, Hong Kong, Macau and other selected countries in Asia
PEBEQ™	Premature Ejaculation Bothersome Evaluation Questionnaire
Plethora	Plethora Solutions Holdings plc, a wholly-owned subsidiary of the Company
PRC or China	The People's Republic of China
R&D	research and development
Recordati	Recordati S.p.A
Securities Dealing Code	the code governing securities transactions by Directors and relevant employees of the Group, which was adopted on no less exacting the terms and required standard set out in the Model Code
Share(s)	ordinary share(s), with voting rights, of US$0.01 each in the capital of the Company, which are listed on the Stock Exchange and are also traded on the Open market (Freiverkehr) of the Frankfurt Stock Exchange
Shareholder(s)	holder(s) of the Shares

SK-Pharma	K.S. KIM International (SK-Pharma) Ltd, a company formed under the laws of the State of Israel, an independent third party (as defined under the Listing Rules)
Stock Exchange	The Stock Exchange of Hong Kong Limited
UK	the United Kingdom
US	the United States
Wanbang Biopharmaceutical	Wanbang Biopharmaceutical Co., Ltd., a wholly controlled company of Shanghai Fosun Pharmaceutical (Group) Co. Ltd.
A$	Australian dollars, the lawful currency in Australia
GBP	Great British pounds, the lawful currency in the UK
HK$	Hong Kong dollars, the lawful currency in Hong Kong
US$	US dollars, the lawful currency in the US