



ARECOR LIMITED

("Arecor" or "the Company")

**ARECOR SECURES £6M INVESTMENT FOR THE CLINICAL DEVELOPMENT
OF ITS DIABETES SPECIALITY PHARMA PORTFOLIO**

**"Investment will accelerate the delivery of significantly improved therapeutic treatments
and quality of life for people living with diabetes"**

Cambridge, UK, 10 September 2018: Arecor Ltd ("the Company"), the UK-based leader in developing superior biopharmaceuticals through the application of an innovative formulation technology platform, today announces that it has secured £6.0 million of investment from new and existing investors for the clinical development of the Company's speciality pharma portfolio of proprietary diabetes products.

This £6.0 million equity investment into Arecor was led by leading UK institutional investors, Calculus Capital, Downing Ventures, and Albion Capital with significant participation from Arecor's existing investors. BioScience Managers Limited, the international healthcare investment firm, advised Downing Ventures.

Arecor's next-generation diabetes product pipeline represents exciting new progress in the field of diabetes that will enable important new treatment regimens and offer greater control of blood glucose to diabetes patients, which is key to improving outcomes and quality of life.

This pipeline includes:-

- Proprietary formulations of insulin analogues that are ultra-rapid acting and more closely match a healthy body's physiological response to blood glucose, leading to better blood glucose (sugar) control - currently a significant challenge
- Highly concentrated rapid acting insulin optimised for the next generation of body-worn miniaturised delivery devices, including the artificial pancreas
- Stable aqueous ready to use glucagon used in an emergency to treat severe hypoglycaemia and enabling future use in bi-hormonal artificial pancreas systems

These programmes will be progressed through development to demonstrate improved product profiles and health outcomes in human clinical trials. In addition to these clinical programmes, the investment will allow Arecor to



progress its pre-clinical pipeline of diabetes combination products, as well as a range of additional superior biotherapeutics addressing critical unmet needs in key disease areas.

The management of diabetes is one of the major global health challenges. Indeed, the International Diabetes Federation ("IDF") estimates that there are nearly half a billion (425 million) people currently living with diabetes around the world* and the IDF further estimates that if the global direct and indirect healthcare costs from diabetes are included, the economic impact of diabetes exceeds \$1trillion**.

* *International Diabetes Federation. IDF Diabetes Atlas, 8th edition. International Diabetes Federation, 2017. Available at: <http://www.diabetesatlas.org/>*

** *Bommer C., Heesemann E., Sagalova V., et al. The global economic burden of diabetes in adults aged 20-79 years: a cost-of-illness study. Lancet Diabetes Endocrinol 2017; 5: 423-30.*

The improved products, therapeutic pathways and personalised control that Arecor's products can enable, will make a significant contribution to addressing this challenge. Arecor will be taking its product portfolio into clinical development itself, however, the Company will ultimately look to partner with specialist diabetes companies for late stage clinical studies and global market access.

The Company, which was originally based on unique protein chemistry technology and insights spun out from Unilever, has refined and developed these into the Arestat™ formulation technology platform. This platform has been used extensively to improve the solution properties of numerous protein, anti-body, vaccine and peptide formulations both in collaboration with pharmaceutical partners, as well as for Arecor's own pipeline. Arecor has established a proven track record in applying this technology platform to deliver superior biopharmaceutical product profiles across a broad range of therapeutic areas.

Dr Sarah Howell, Chief Executive Officer at Arecor, commented: *"We are delighted to have secured the investment that we need to progress our lead diabetes programmes through the key stages of clinical development. With diabetes reaching epidemic proportions worldwide and with close to half a billion people living with the condition today, the opportunity of advancing our diabetes products into human clinical trials and their potential to significantly improve the treatment of this debilitating disease, represents a very exciting and ground-breaking proposition".*

Alexander Crawford, Investment Director, Calculus Capital, added: *"Arecor is applying its unique and highly regarded reformulation technology which will help transform the growing diabetes market. As lead investor, we believe this is an exciting new phase from Arecor in the development of their technology and strong growth potential."*



Dr Christoph Ruedig, Partner, Albion Capital, said: *"We have followed Arecor for some time and are excited by the societal value of its fast onset, short duration action insulin. Its technology is highly differentiated and the Company is leading the sector in the area of stabilising liquid formulations for injectable drugs. We look forward to working with the strong leadership team to bring this extraordinary proposition to fruition and in doing so, aid many diabetic patients across the UK and beyond."*

Richard Lewis, Investment Director, Downing Ventures, concluded: *"As an investment opportunity, Arecor combines a solid and high margin technology business alongside a proprietary product offering that fulfils major unmet medical need. As a result, we believe that the diabetes pipeline should successfully attract quality international commercial partners. "*

***** ENDS *****

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About Arecor

Arecor Limited is a leader in developing superior biopharmaceuticals through the application of an innovative formulation technology platform. Arecor is leveraging this platform to develop a portfolio of proprietary products that will enable improved treatments for diabetes via the innovative reformulation of approved proteins and peptides.

Arecor's product portfolio also includes:

- Novel insulin formulations to deliver ultra-rapid acting insulin analogs and;
- Ultra-concentrated rapid acting insulin to enable the miniaturisation of devices,
- Stable aqueous glucagon for emergency and artificial pancreas use, and
- A series of undisclosed pre-clinical programmes.

In addition, Arecor partners with leading pharmaceutical and biotech companies to deliver superior reformulations of their proprietary products, which would otherwise not be possible using conventional formulation science.

www.arecor.com

About Arestat™

Arecor has significant experience and a proven track record in applying the Arestat™ formulation technology platform to deliver superior biopharmaceutical product profiles across a broad range of proteins, peptides and vaccines.



About Arecor's Patent Portfolio

Arecor's technology is protected by 21 patent families, including 23 granted patents. Arecor has been exploiting its technology in partnerships with pharmaceutical companies, successfully developing superior product profiles, including stable high-concentration antibodies with low viscosity, reformulations of lyophilised or freeze-dried products into stable liquids or stable vaccines that can be used outside the cold chain.

Calculus Capital

Calculus Capital is a specialist in creating and managing private equity funds for individuals. A pioneer in the Enterprise Investment Scheme (EIS) space, Calculus launched the UK's first HMRC-approved EIS fund in 1999 and has gone on to launch a further 19 EIS funds and five VCT share issues to date. Calculus seeks capital appreciation from dynamic, established, private UK companies across a multitude of sectors. Calculus prefers to invest £2m-£5m per company. As at 5th April 2018 it had over £169m of funds under management of which 95% is in EIS.

Calculus Capital's experienced investment team, diligent investment process and 'hands on' approach have resulted in an impressive track record of investment success. Calculus has won multiple awards including 'Best EIS Fund Manager' at the Growth Investor Awards 2016 and the EIS Association's 'Fund Manager of the Year' Award in 2016, 2015, 2014, 2011 and 2009 and most recently the award for Best Generalist EIS at the Tax Efficiency Awards in 2017. Calculus Capital is authorised and regulated by the Financial Conduct Authority.

www.calculuscapital.com

Albion Capital

Albion Capital is a leading independent investment manager with a long-term record of partnering ambitious business. The Albion Group has funds of just over £1 billion under investment management or administration and has increasingly focussed on technology, specifically software and tech enabled services with four Albion companies represented in the 2017 Sunday Times Tech Track 100. Albion Capital Group LLP is authorised and regulated by the Financial Conduct Authority.

www.albion.capital

Downing Ventures

Downing Ventures is an evergreen fund investing in seed to Series A companies, with the possibility of follow-on investments. It invests in a variety of technology sectors including consumer internet and mobile, enterprise software and security technology, financial technology and health technology. It has a portfolio of 45 companies as of March 2018. Downing Ventures works alongside a number of investment partners and accelerator programmes and incubators, including the London Co-Investment Fund.

www.downingventures.com