

# Standing On The Shoulders Of Giants: Could Arecor Enter The Race To Revolutionize Diabetes?



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► By Jo Shorthouse

**NO LONGER JUST A UNILEVER PLC SPIN-OUT** helping pharma reformulate drugs, **Areacor Ltd.** has now made the first moves to becoming a drug development company in its own right. With money in the bank from its latest fund raising, new institutional investors on board and a fresh Clinical Trial Application with the regulators, it may be Arecor's moment to come out from the technology partnering shadows and put itself in the spotlight. CEO Sarah Howell talks to *Scrip* about the company's plans for developing its own diabetes drugs.

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To date, Arecor's business model has pivoted around its proprietary technology platform, Arestat, which reformulates products in development or already on the market and develops superior versions of those available. It works with the top 20 global pharma companies to improve the formulation and administration of drugs, enabling intravenous drugs to be dosed with a single injection, for example.

This technology, and the company's experience in reinventing existing products, makes it very well-qualified to enter the diabetes landscape, Howell told *Scrip*.

"Ultimately, there is a huge amount of unmet need in diabetes and it's a large market," she said. "There's a significant market opportunity for Arecor and our USP is that we can deliver improved products that are simply not possible without using our technology, that really enables us to play in an area such as diabetes which is dominated by major pharma."



That includes companies such as **Novo Nordisk AS** and **Eli Lilly & Co.**, both of which have fast-acting insulin products. French biotech **Adocia SAS** has also announced the first home-use trial to test its BioChaperone Lispro in an autonomous insulin delivery system, the iLet, an artificial pancreas delivery system.

Fueled by a £6m equity investment, led by UK institutional investors Calculus Capital, Downing Ventures, and Albion Capital, Arecor is putting its money where its mouth is and has filed a Clinical Trial Application to conduct a Phase I study in Type 1 diabetic patients at a clinical trial site in Austria. The study will compare the pharmacokinetic and pharmacodynamic profiles of its ultra-rapid acting insulin product, AT247, to that of Novo Nordisk products *Novo-Log* (insulin aspart) and its fast-acting version, *Fiasp*.

Even with large pharma heavily investing in the field of rapid-acting insulin, Howell believes small companies have the impetus to create value. "There is a lot in development, but we believe there is a lot of room for further improvement. The aim is to have the fastest-acting insulin physically possible to market," she said.

Arecor hopes to be dosing patients by the end of the first quarter of this year, with a full readout in Q4. The product follows a 505b2 pathway, an abbreviated development and regulatory pathway because safety and

efficacy is already known.

Areacor will do a series of Phase I studies to demonstrate different characteristics of the product but once these are complete the product will skip Phase II, moving straight to Phase III. At this stage, the company would like to bring on a partner to embark on late-stage development and commercialization.

Howell recognizes that with 425 million diabetics worldwide generating annual insulin sales of \$22bn, a significant sales and marketing effort is required to play in this therapeutic space. Areacor would look to partner with a company that already has that commercial arm in place, that has a need for rapid-acting insulins and that can capture the market share.

### Unilever Spin-Out

Areacor was spun out from Unilever in 2007 as a protein stabilization company, initially for a wound dressing that was going to be used in the field, led by Jan Jezek, Areacor's existing CSO, and Paul Davies, whose other achievements include the invention of the Clear Blue pregnancy test.

The early phases of the company focused heavily on technology development, but it was with the arrival of Howell as CEO in 2015 that the company began to have ambitions outside its revenue-making technology stream. Howell joined from UK biotech **BTG PLC**, before that working on product development at **UCB Group**, predominantly on rheumatoid arthritis drug *Cimzia*, and before that **GlaxoSmithKline PLC**.

Howell joined Areacor as CEO because she felt there was opportunity in its technology, but it needed to morph from a R&D organization to a development and commercialization outfit, and needed someone from a pharma background to accomplish this. "It's difficult to partner with pharma if you don't understand pharma," Howell explained.

Howell could see that Areacor's technology business was valuable. Its pharma partners pay to create new formulations, and when they take them into development it is under a technology licensing model which makes it mile-



ARECOR CEO SARAH HOWELL

stone and royalty bearing, with a significant value upside.

"We have proven over the years by working with pharma that we're able to deliver improved products that they simply are unable to deliver themselves, so why don't we move ourselves further up that value chain and take products through development ourselves?" she recalls asking when she took the reins three years ago. Areacor carved out diabetes as a therapeutic area of interest because it could take products forward by itself and move through development at speed.

Howell admits there are risks involved in this business strategy, but believes they are manageable. "It's a risk because we're spending money rather than just generating revenue, but that's mitigated by the fact that we're taking already approved pharmaceutical products and repurposing them. The biggest risk in pharmaceutical product development is around clinical efficacy and safety, whereas that risk for us is very low. It's already been proven but we're looking to further improve them. The biggest risk is around picking the right products and understanding what the patient needs, and what the commercial landscape is for this product."

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