Arecor

Advancing today's therapies to enable healthier lives

Final results for the year ended 31 December 2021

25 April 2022

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01

Introduction

Presentation Team

Dr Sarah Howell

Chief Executive Officer

Susan Lowther

Chief Financial Officer

Company summary

Driving better healthcare through the transformation of today's therapies

Arestat™ proprietary technology platform

- Enhances properties of existing therapeutic products
- Improving performance & patient outcomes
- Extensive IP protection

Clinical company developing proprietary pipeline of enhanced medicines

- **Diabetes** - favourable clinical data + near term clinical value driver opportunities
- **Specialty Hospital Products** – partnered and in-house development

Established partnerships with leading pharmaceutical companies

- Multiple partnered programmes
- Revenue generating from formulation development
- Significant licensing and royalty potential

Balanced business model

- Revenue generating license model
- Significant potential returns from license milestones and royalties
- De-risked product development

Significant clinical and partnering progress since successful 2021 IPO

Operational Highlights (including post-period events)

Driving better healthcare through the transformation of today's therapies

Proprietary Pipeline

- US Phase I clinical trial for AT247 initiated in early 2022, following FDA clearance of IND application
- Positive Phase I clinical trial for AT278 showing significantly early accelerated PK/PD profile compared to NovoRapid® – data to be presented at ATTD on Thursday 28 April
- Awarded £2.8m Innovate UK grant to support PhII clinical development of AT247

Technology Partnerships

- Five new technology partnership agreements

Intellectual Property

- Expansion of global patent portfolio with grant of US, Canadian and European patents

A broad portfolio of de-risked and innovative assets

Portfolio of de-risked in-house and partnered programmes

	Product	Area	Research	Preclinical	Phase 1	Phase 2	Phase 3	Est launch[1]	Market size
Arecor Development	AT247	Diabetes						2025	~$6.4B[2]
	AT278	Diabetes						2025	
	AT299 JDRF	Diabetes						2028	
	Research	Specialty Hospital			Clinical Development assumed not required under 505(b)(2) regulatory pathway[4]			2025+	$250m-1B[3]
Partnered Programmes	AT282 hikma.	Specialty Hospital			Clinical Development assumed not required under 505(b)(2) regulatory pathway[4]			2023/4	>$600Mn[5]
	AT307 hikma.	Specialty Hospital			Clinical Development assumed not required under 505(b)(2) regulatory pathway[4]			2025	>$300Mn[6]
	AT220 Undisclosed partner	Undisclosed Biosimilar			Late Stage Development			2023	$Multi-billion
	AT292 INHIBRX	Alpha-1 antitrypsin deficiency						2025	>$1.1B[7]
	Multiple Technology Partnerships	Formulation development Lilly PAR Pharmaceutical an endo international company INTAS INTAS PHARMACEUTICALS							

1. Management estimates; 2. Prandial insulin market 2019, estimate based on 2019 sales figures of Eli Lilly, Novo Nordisk and Sanofi Aventis reported in Company Annual Reports, exchange rates as at 15 February 2021; 3. Range of currently marketed products, source company annual reports and IQVIA; 4. Management assumption that new formulation will not require clinical data for approval under 505(b)(2) guidelines, to be validated for each product with US Food & Drug Administration; 5. Product towards upper end of hospital RTU/RTA market sales; 6. Company annual report; 7 2018 global AATD augmentation therapy, projected to reach $1.9B by the end 2026, Inhibrx Corporate presentation, Jan 2021

Expanding portfolio of partnerships with five new collaborations signed in 2021

Revenue generating collaborations offering future license potential

Exclusive formulation study collaboration with Lilly	Exclusive formulation study collaboration with Par Sterile Products	Exclusive formulation collaboration with Intas Pharmaceuticals	Exclusive formulation study collaboration with leading global medical products company	Exclusive formulation study collaboration with global technology leader
Differentiated, thermostable formulation	*Differentiated ready to use formulation*	*Differentiated, improved usability formulation*	*Differentiated, stable, liquid formulation*	*Improved, stable, liquid formulation*
May 2021	***June 2021***	***September 2021***	***November 2021***	***December 2021***

01

Best-in-class insulins for more effective treatment of diabetes

Diabetes in crisis: There is still a need for improved insulins

A major worldwide health issue with significant unmet needs in diabetes care

537

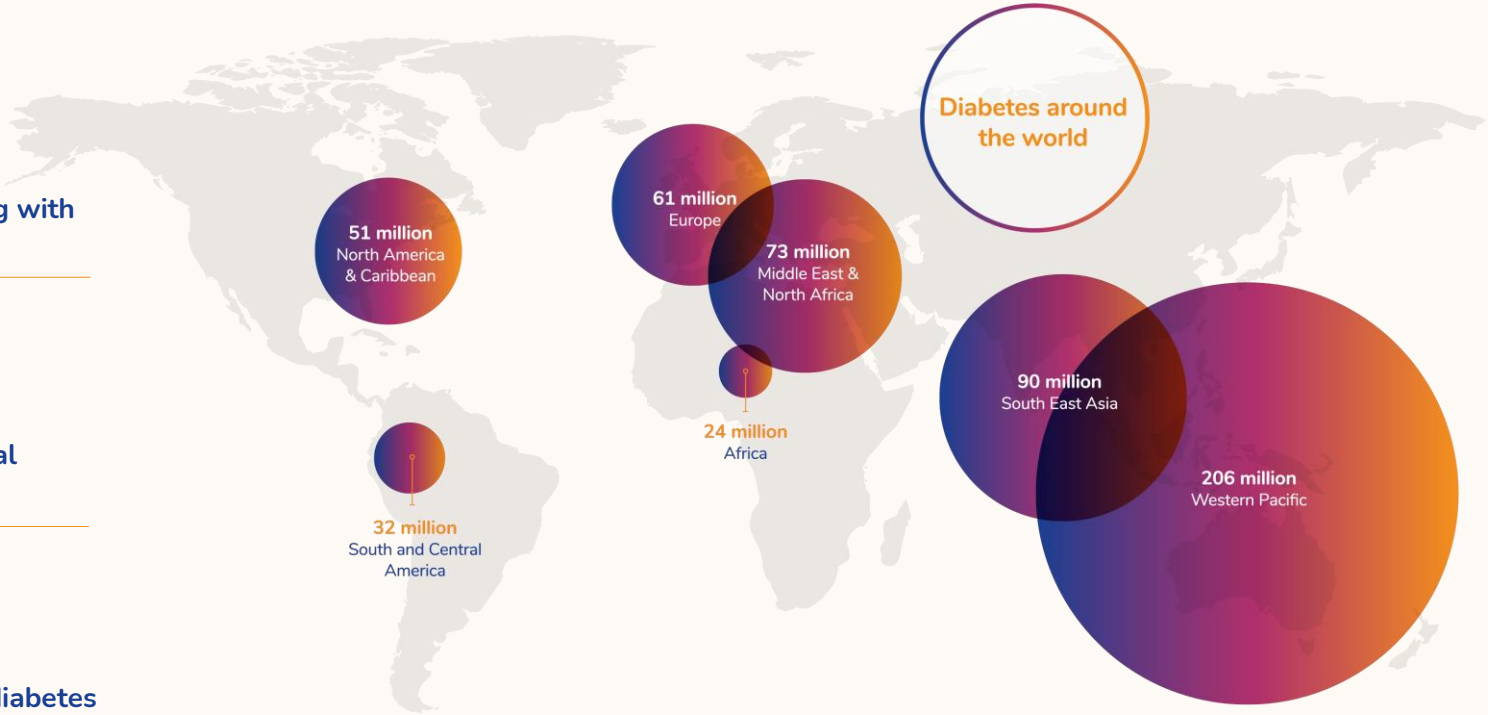
million
adults are living with diabetes

$966

billion
estimated global expenditure

6.7

million
deaths due to diabetes in 2021



Diabetes: Portfolio of best-in-class ultra-rapid and concentrated insulins

A major worldwide health issue with significant unmet needs in diabetes care

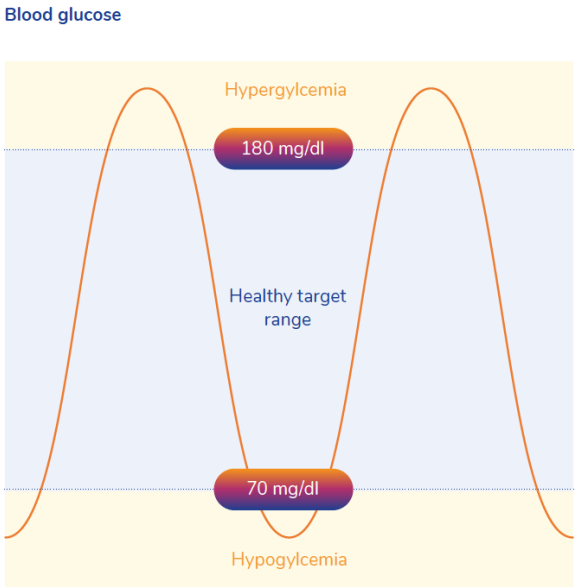
AT247, an ultra-rapid acting insulin with potential to enable fully automated artificial pancreas for Type I diabetics

AT278 'disruptor insulin' the first concentrated ultra-rapid acting insulin for treatment of Type 2 diabetes

Fastest acting meal-time insulins to improve patient outcomes

Novel formulations of already approved insulin designed to **accelerate absorption** of insulin post injection

De-risked development pathway as safety and effectiveness of insulin already proven - **patent protection** expected until **at least 2037**



Arecor's goal is to improve treatment outcomes for patients requiring insulin, a **~$6.4B[1] market**,

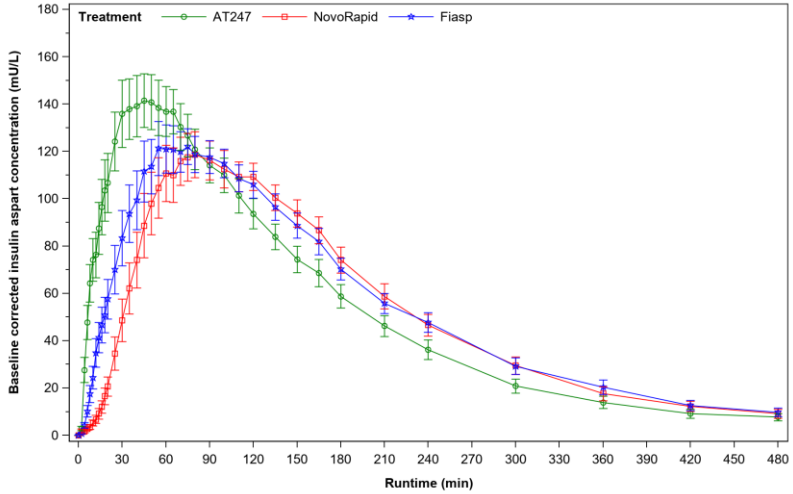
56m insulin users[2] globally

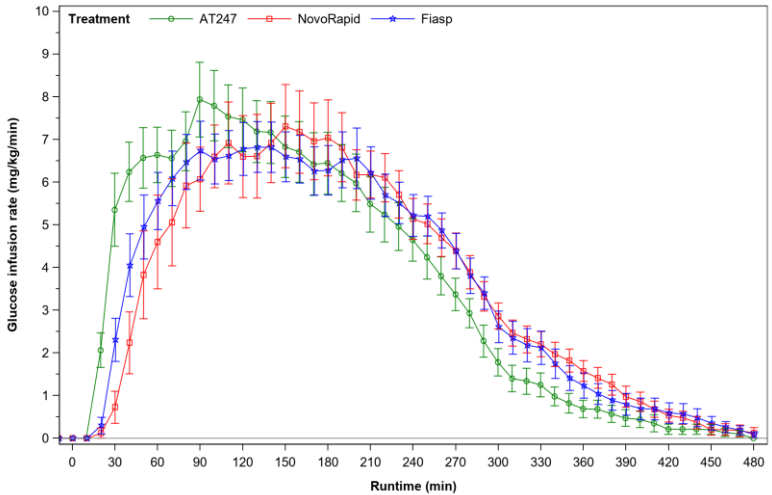
1. Prandial insulin market 2019, estimate based on 2019 sales figures of Eli Lilly, Novo Nordisk and Sanofi Aventis reported in Company Annual Reports, exchange rates as at 15 February 2021; 2. Novo Nordisk Full Year 2019 Investor Presentation

AT247: Improved profile vs current gold standard treatments

Superiority for onset of appearance, exposure and early insulin action during 120min after dosing compared with Fiasp® and NovoRapid®

Phase I clinical study[1] successfully met all primary endpoints with best-in-class profile





[1]Double-blind, randomised, three-way cross over study; 19 Type 1 diabetic patients; Comparing the pharmacokinetic and pharmacodynamic profiles of AT247 to current best in class prandial insulin treatments NovoRapid® and FIAsp®

AT247 Potential to enable transformational fully closed loop artificial pancreas

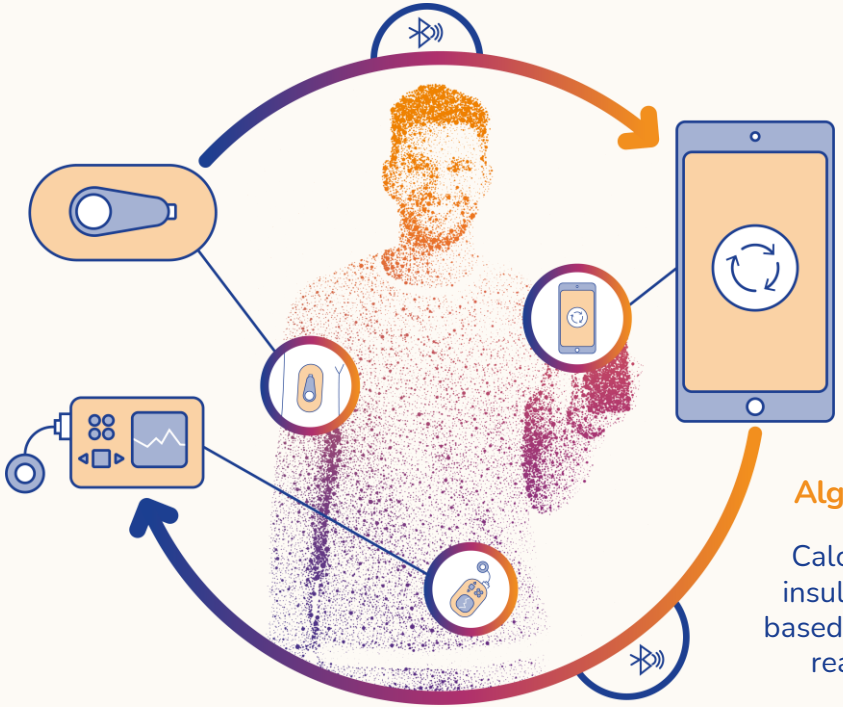
Improve quality and life and outcomes for Type 1 diabetic patients

CGM

Measures blood glucose levels in real-time

Insulin + Pump

Even faster acting insulins needed to enable user to stay in closed loop at meal-times



Algorithm

Calculates insulin dose based on CGM reading

AT247 best-in-class PK/PD demonstrated in Phase I clinical study

AP 'holy grail' for people living with Type 1 diabetes

Improve TIR and outcomes for ~5.8 million T1D across US and EU

Significant reduction in burden and improve quality of life for patients

Target market share in existing $6.4 billion meal-time insulin segment

[1]For every absolute 10% change in TIR, there is a 0.8% change in HbA1c (Vigersky et al, 2019)

AT278 500 U/mL: Creating a disruptor insulin

Potential to be the first concentrated ultra-rapid insulin product available to patients

The Need

- Growing number of Type 2 diabetics requiring high daily doses of insulin (>100U/day)
- Currently **no concentrated rapid acting insulins available**
    - Require high injection volumes and multiple injections to achieve daily dose
- Plus, critical enabler for next generation of miniaturized insulin devices

The Challenge

- As increase insulin concentration becomes slower acting
- Faster acting insulins needed for improved blood glucose control

AT278 potential to be first and only ultra-concentrated rapid acting insulin

Ultra-rapid acting profile achieved with 5-fold increase of insulin concentration

Reduced injection volume and potential to enable significant miniaturization of devices

Disrupt T2D market by converting more of ~38million T2D's to insulin pump therapy

Potential to provide superior blood glucose control and health outcomes for insulin resistant patients

AT278 500 U/mL: Positive results from first Phase I clinical study; significantly accelerated PK/PD compared to 100 U/mL NovoRapid®

Potential to be the first concentrated ultra-rapid insulin product available to patients

Study Design

- Double-blind, randomized, two-way cross over Phase 1 clinical study
- 38 participants with Type I diabetes
- PK/PD and safety of a single sub-cutaneous dose of AT278 (500 U/mL) vs NovoRapid® (100 U/mL)

Topline Results

- Trial met all primary and secondary end-points
    - Including non-inferiority of glucose lowering action vs Novorapid®
- **Exceeded expectations** demonstrating a significantly accelerated early PK/PD profile compared to the same dose of lower concentration NovoRapid®
- No safety signals were detected

Showcasing potential of diabetes portfolio at upcoming ATTD annual meeting

AT278

Oral Presentation:	AT278 (U500) - PK/PD and safety of rapid-acting concentrated insulin aspart
Presenting Author:	Dr Eva Svehlikova
Session:	Oral Presentations Session 2
Date and Time:	Thursday, 28 April 2022, at 17:20 CET

AT247

Poster Presentation:	Adjusting insulin therapy to faster insulin analogs leads to improved glucose control: An in-silico analysis
Presenting Author:	Dr Jenny Diaz, University of Virginia
Session:	e-Poster gallery
Date :	Wednesday, 27 April to Saturday, 30 April 2022

Discussing the clinical need for an ultra-concentrated ultra-rapid acting insulin

Upcoming KOL event - Thursday 26 May at 15:00-16:30 UK time

Jay Skyler

Professor of Medicine, Pediatrics, & Psychology, Division of Endocrinology Diabetes & Metabolism, University of Miami, USA

Thomas Pieber

Professor of Medicine, Head of the Division of Endocrinology and Metabolism and Chairman of the Department of Internal Medicine, Medical University of Graz, Austria

Wendy Lane

Clinical endocrinologist in private practice, director of research at the Mountain Diabetes and Endocrine Center in Asheville, North Carolina, USA

Davida Kruger

Nurse practitioner, Henry Ford Health System, Division of endocrinology, Detroit, Michigan, USA

Diabetes franchise – Key upcoming milestones

Develop to clinical value inflexion point prior to licensing

	Research	Pre-Clinical	Phase 1	Phase 2	Upcoming Milestone
AT247 Ultra Rapid Acting Insulin					- US Phase I insulin pump clinical study expected to complete H2 2022
AT278 Ultra Concentrated Rapid Acting Insulin					- Full results to be presented at Advanced Technologies & Treatments for Diabetes (ATTD) conference, 28 April 2022 - AT278-104 clinical study expected to start dosing 2H 22

03

Financials and newsflow

2021 Financial Highlights

Driving better healthcare through the transformation of today's therapies

Successful AIM IPO

- Raised £20m new investment at a share price of 226p
- Market cap of £62.5m at Admission

2021 P&L

- Total income of £1.8m (2020: £2.1m)
- Investment in R&D of £5.4m (2020: £3.9m)

Strengthened balance sheet

- Cash of £18.3m at 31 December 2021 (31 December 2020: £2.9m)
- Debt free following the conversion of £4.4m shareholder loan notes

Key Financials

£m	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Formulation development	1.2	0.8
License and milestones	-	0.9
Revenue	**1.2**	**1.7**
Other income	0.6	0.4
Total Income	**1.8**	**2.1**
Loss after tax	**(6.2)**	**(2.8)**
Net Assets	**18.5**	**0.8**

Formulation development revenue includes 5 new deals
- Future licensing opportunities

Grant income of £0.6m
- Total award of £2.8m

Loss after tax of £6.2m
- R&D investment of £5.4m in proprietary portfolio
- S,G&A of £2.4m
- Non-recurring costs of £0.5m

Net assets of £18.5m
- Cash of £18.3m
- R&D tax credit receivable of £0.8m
- Receivables of £1.4m and payables of £2.1m

Arecor: Focused on execution and delivery

Key milestones

2021

- £2.8m Innovate UK grant award
- Successful AIM IPO raising £20m
- AT278 Phase I study results
- AT247-103 US IND allowance
- Technology partnering growth

2022

- AT247-103 clinical results
- AT278 Initiate T2D clinical study
- HIK AT282 achieve next license milestone
- Advance Specialty Hospital portfolio
- Technology partnering growth

Arecor

Q & A

Contact

Sarah Howell, CEO
sarah.howell@arecor.com

Susan Lowther, CFO
susan.lowther@arecor.com

www.arecor.com