Arecor

Advancing today's therapies to enable healthier lives

Results for the year ended 31 December 2022

April 2023

www.arecor.com

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Presentation Team

Dr Sarah Howell

Chief Executive Officer

Susan Lowther

Chief Financial Officer

We are focused on transforming patient care by enhancing existing therapeutic medicines to bring safer, more effective and convenient treatments to patients

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
- Sales, marketing platform for selected commercial products through Tetris Pharma acquisition

Vision to build a significant self-sustaining biopharmaceutical company

Operational Highlights (including post-period events)

Driving better healthcare through the transformation of today's therapies

Proprietary pipeline

- Second Phase I trial of AT278 underway in people with type 2 diabetes
- Positive results from US Phase I clinical trial of AT247 delivered via insulin pump

Partnering progress

- Specialty hospital medicine AT307 transferred to Hikma triggering license milestone
- Two agreements with top 5 global pharmaceutical company; new collaboration with pharmaceutical division of one of world's largest chemicals marketing and pharmaceuticals companies

Intellectual Property

- Further strengthened with 9 new patent grants protecting Arestat™ and enhanced therapeutic medicines

Acquisition of Tetris Pharma

- £6 million placing adding commercial product, Ogluo® and building out Specialty Hospital Products franchise with sales, marketing and distribution platform

A broad portfolio of de-risked development and commercial products

Balanced portfolio of commercial and development assets offering optionality on partnering and revenue growth potential

	Product	Area	Research	Preclinical	Phase I	Phase II	Phase III	Est launch	Current market size
In-house	**AT278**	Diabetes						2025	~$6.4bn[1]
	AT247	Diabetes						2025	
	AT299	Diabetes						2028	
	Multiple Specialty Hospital programmes	Specialty hospital			Limited or no clinical development required under 505(b)(2) regulatory pathway[3]			2025+	$250m-1bn[2]
Partnered programmes	Licensed to partners								
	AT220 *undisclosed partner	Biosimilar			Late stage development			2023	$multi-billion
	AT292 (INBRX-101) INHIBRX	Alpha-1 antitrypsin deficiency				Opportunity for accelerated approval pathway[4]		2026	$3bn+[5]
	AT307 hikma.	Specialty hospital			Limited or no clinical development required under 505(b)(2) regulatory pathway[3]			2025/6	>$300m+[6]
	Pre-license technology partnerships								
	Multiple Programmes Lilly PAR INTAS	Formulation development							
Commercialised	**Ogluo®** xeris BIOPHARMA	Ready-to-use glucagon pen						Launched UK, Germany, Austria	~£100m

1. Meal-time rapid and ultra-rapid acting insulin market 2021, including Humulin franchise, 2021 sales revenues reported in Company Annual Reports; 2. Range of currently marketed products, source company annual reports and IQVIA; 3. 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; 4. Inhibrx press release dated 4 Oct 2022; 5. Inhibrx Corporate presentation, March 2023 6. Product towards upper end of hospital RTU/RTA market sales

Capturing long-term value through partnerships

- Growing portfolio demonstrates potential of Arestat™ for partners

- Provides Arecor with near-term revenue and significant upside potential from existing and future licensing

- Appointment of Dr. Manjit Rahelu as Chief Business Officer – accomplished strategic deal maker with extensive business development experience

Specialty Hospital RTU products
AT307 transferred to Hikma for further development and commercialisation

Increasing portfolio of technology partnerships
Eight new partnerships since IPO

AT220
Expected to be on the market in 2023 under royalty bearing agreement

Future upside
Significant potential returns from license milestones and royalties under partnerships

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

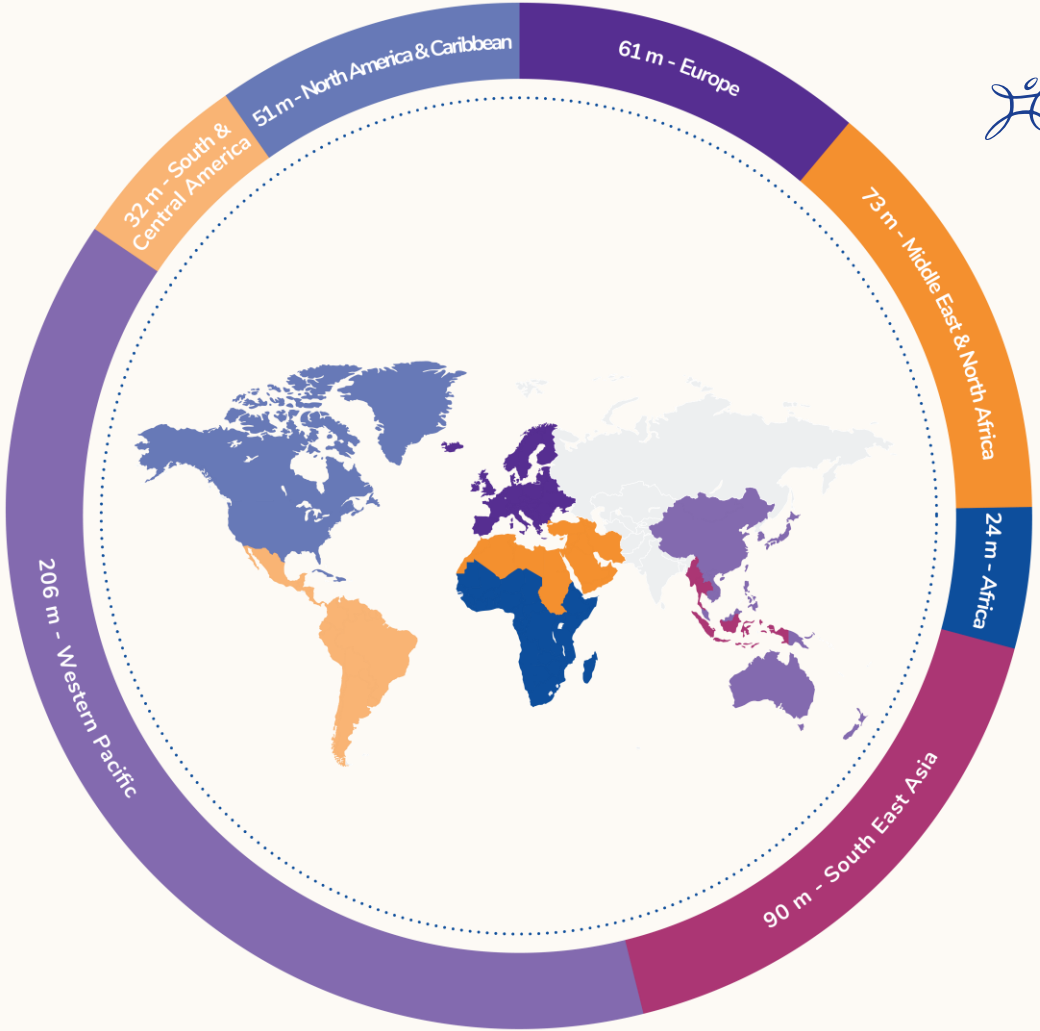
adults are living with diabetes

$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

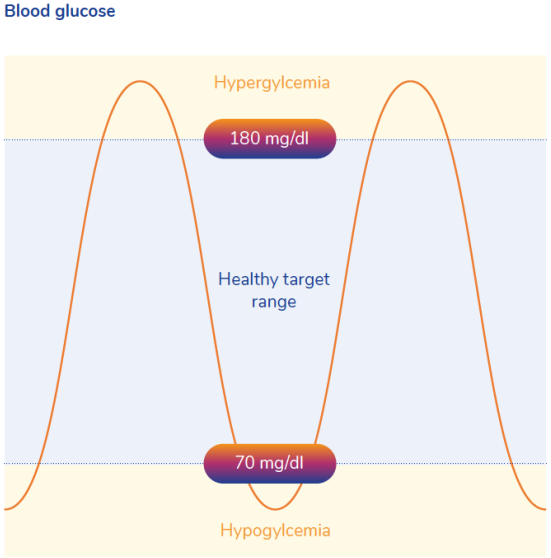
AT278 'disruptor insulin' the first ultra-concentrated ultra-rapid acting insulin for treatment of type 2 diabetes

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

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**,

64m insulin users[2] globally

1. Meal-time rapid and ultra-rapid acting insulin market 2021, including Humulin franchise, 2021 sales revenues reported in Company Annual Reports,; 2. IDF Atlas 10th Edition

AT278

An ultra-concentrated, ultra-rapid acting insulin candidate

AT278 500 U/mL: Creating a disruptor insulin

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

The need

- Growing number of type 2 diabetics requiring high daily doses of insulin (>100U/day)
  - ~35% US T2D's on insulin require 100U/day; ~18% T1D's
- Currently **no concentrated rapid acting insulins available**, 2 options:
  - RAI/URI: Require high injection volumes and multiple injections to achieve daily dose, or
  - Humulin-R U500 with an intermediate acting profile
- Plus, critical enabler for next generation of miniaturized insulin devices

The challenge

- As insulin concentration is increased it 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 T2D's to insulin pump therapy

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

Why switch to an ultra-concentrated, ultra-rapid acting insulin?

Currently no rapid acting insulin (RAI) on the market with a concentration >200U/mL

Concentrated insulins growth market up to ~$1B existing market

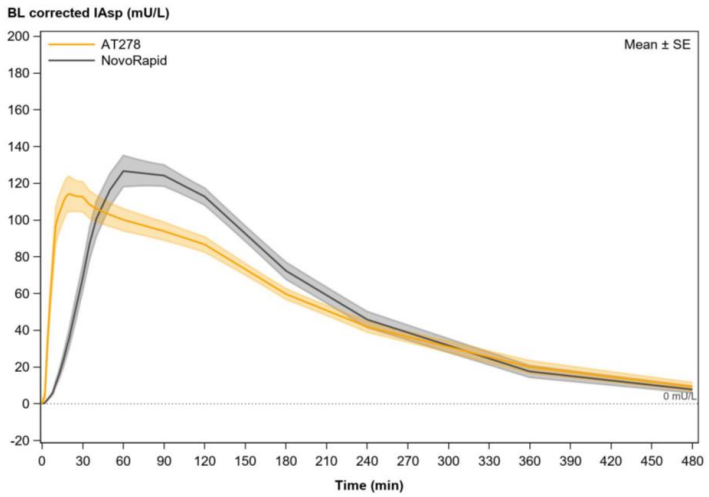
- Concentrated insulin **reduces injection volumes** and potentially **fewer injections/day**
- Only existing 500U/mL insulin, **intermediate acting**, **compromising on glycemic control**
- **AT278**; maintain reduced injection volume, **PLUS no compromise on glycemic control** due to URI profile
- Growth market; number of scripts in the US 2019-2021; U500 CAGR 8.3%, U200 CAGR 10.3%

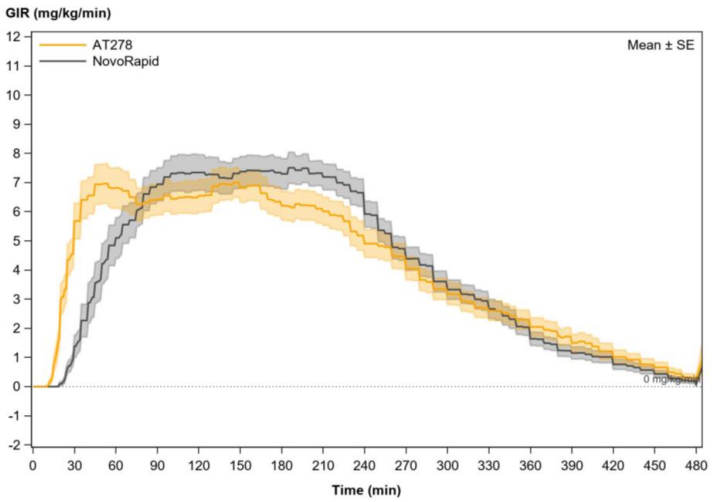
Existing RAI/URI (~$5.4B market)

- RAI and URI only available up to 200U/mL
- **AT278**
    - Ultra-rapid acting insulin = gold standard glycemic control
    - Concentrated = reduced injection volume, potentially fewer injections per day
- **AT278 for insulin pump users**: Enable true miniaturization of insulin pumps + enough insulin 'on-board' to support 7-day wear; **can only be enabled with a concentrated RAI**

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

Successfully met all primary endpoints with **best-in-class** profile



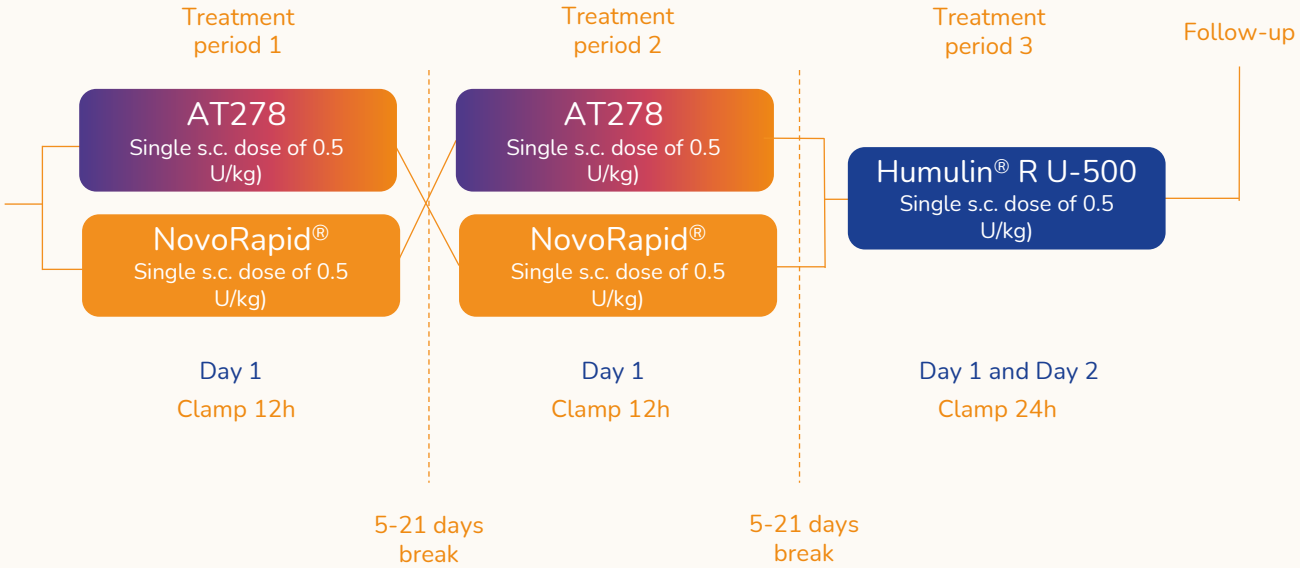


1Double-blind, randomised, two-way cross over study; 38 Type 1 diabetic patients; Comparing the pharmacokinetic and pharmacodynamic profiles of AT2278 to current best in class prandial insulin treatment NovoRapid®

AT278 Second clinical trial initiated in January 2023

Potential to become gold standard insulin for people with diabetes with high daily insulin needs

- Initiated January 2023, first patient dosed March 2023, **results expected Q4 23**
- Phase I randomised, double-blind study in 28 adult patients with type 2 diabetes
- Each patient receives one subcutaneous dose (0.5 U/kg) of AT278, NovoRapid® and Humulin® R U-500 in 3 separate treatment periods
- PK/PD profile measured in each treatment period in a glycemic clamp setting



Why is it important?

- First study in target population, T2D with BMI between 25 and 45 Kg/m2
- **Designed to demonstrate fast glucose lowering action** (PK/PD profile) for AT278 compared with NovoRapid® and Humulin® R U-500

AT247

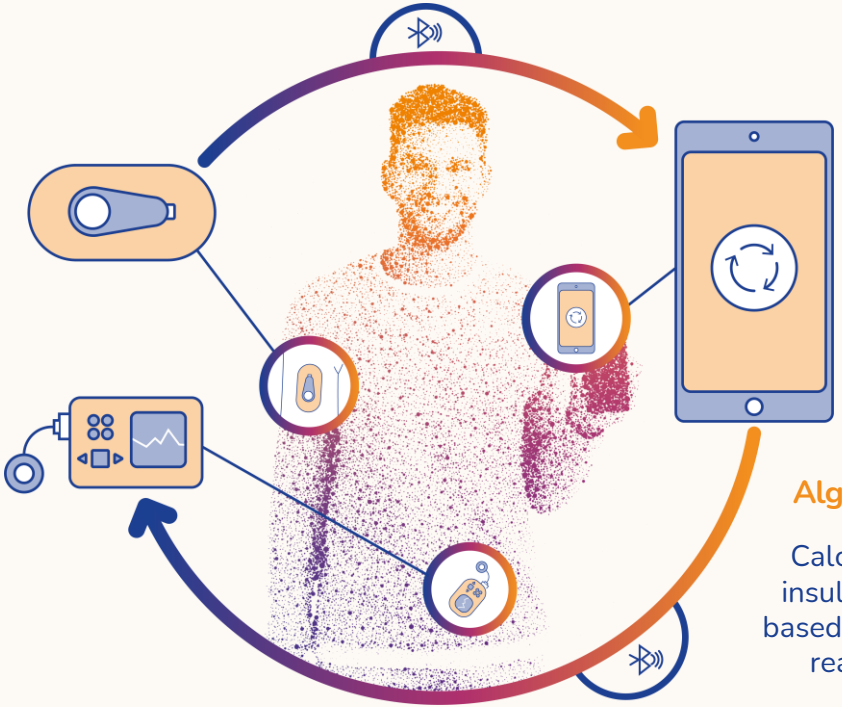
An ultra-rapid acting insulin candidate

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

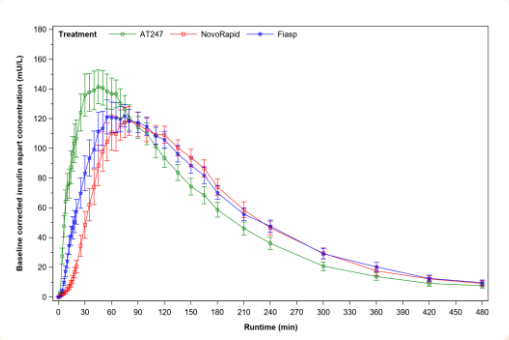
Target market share in existing $6.4 billion meal-time insulin segment

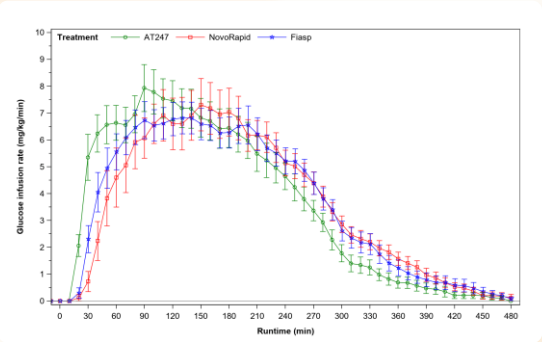
[1]For every absolute 10% change in TIR, there is a 0.8% change in HbA1c (Vigersky et al, 2019)

Successful completion of two clinical trials investigating potential of AT247

Support AT247 potential to enable fully closed loop artificial pancreas for people with Type 1 diabetes

First in human, single-dose Phase I trial (2020)





Three-day insulin pump Phase I trial (2022)

- Demonstrated a significantly **accelerated insulin absorption and early exposure** (PK profile) compared with NovoLog® and Fiasp®
- Statistically significant **superior glucose lowering effect (PD) compared with NovoLog®**
- **Similar PD profile to Fiasp®**

04

Tetris Pharma

Tetris Pharma and European roll-out of Ogluo®

- Integration of Tetris Pharma team
- European commercial roll out continuing following earlier UK launch
- Product available to patients in Germany and Austria
  - Additional launches planned in key territories
- Agreement with Syneos Health to support commercial platform across Europe

Key diabetes product Ogluo®

Ready-to-use glucagon for emergency use to treat severe hypoglycemia in people with diabetes

Exclusive EU/UK license & supply agreement from Xeris Pharmaceuticals

Existing market opportunity estimated to be ~£100 million across UK and Europe

04

Financials and newsflow

2022 Financial Highlights

Doubling of total income

Key financials

- Total Income of £3.5 million (2021: £1.8 million)
- Investment in R&D of £8.6 million (2021: £5.4 million)
- Loss after tax for the year of £9.3 million (2021: £6.2 million)
- Cash and short-term investments of £12.8 million (2021: £18.3 million)

Acquisition and placing

- Acquired Tetris Pharma Ltd on 4 August 2022
- Placing of £6m to fund working capital, issue of 2,000,000 shares at 300p/share

Revenue base expanding to product sales, licenses, milestones and royalties

Underpinned by a strong balance sheet, as a foundation for future growth

Key Financials

Broadening the revenue mix as a platform for future growth

£m	FY 2022	FY 2021
Formulation development	1.4	1.2
Product sales	1.0	-
Total revenue	**2.4**	**1.2**
Grant income	1.1	0.6
Total income	**3.5**	**1.8**
£m	FY 2022	FY 2021
Loss after tax	**9.3**	**6.2**
Net assets	**17.5**	**18.5**

Doubling of total income to £3.5m

- New formulation development projects
- Five months of Tetris Pharma
- Full year Innovate grant
- Hikma milestone post year end

Loss after tax of £9.3m

- R&D of £8.6m (2021: £5.4m)
- S,G&A £5.5m (2021: £2.8m)

Net assets of £17.5m

- Cash and investments £12.8m
- Tax receivable £1.3m
- Trade receivables of £2.2m and payables of £3.5m

Significant upcoming milestones to drive growth

Existing licensing and new licensing upside potential

A significant self-sustaining biopharmaceutical company

2022

- AT247-103 clinical results
- Initiate AT278-104 T2D clinical study
- Technology partnering growth
- Tetris Pharma integration and commercial execution of Ogluo® opportunity
  - Ogluo launched in UK and Germany

2023

- HIK achieve next license milestone
- **AT278-104 clinical results**
- Significant revenue growth
  - **Royalties from AT220** following expected launch
  - Revenues from sales of Ogluo®
    - UK, Germany and Austria
    - Launches planned across key territories
- Expansion of portfolio of revenue generating partnership deals

2024 onwards

- Significant potential returns from license milestones and royalties
- Expansion of in-house specialty hospital pipeline
- Key data points and significant partnering opportunities from diabetes and specialty hospital portfolio
- Additional licensing and technology partnerships driving growth

Arecor

Thank you

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