Arecor

Advancing today's therapies to enable healthier lives

Interim Results

23 September 2021

www.arecor.com

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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

Recent IPO proceeds of £20m to take proprietary products to partnering valuation inflexion

Operational Highlights

Driving better healthcare through the transformation of today's therapies

Proprietary Pipeline

- Positive results from AT278-102 Phase I clinical study
- IND clearance for AT247 3-day insulin pump clinical study in US
- Awarded £2.8m Innovate UK grant to support PhII clinical development of AT247

Technology Partnerships

- 3 new formulation study collaborations signed

Strengthened Team

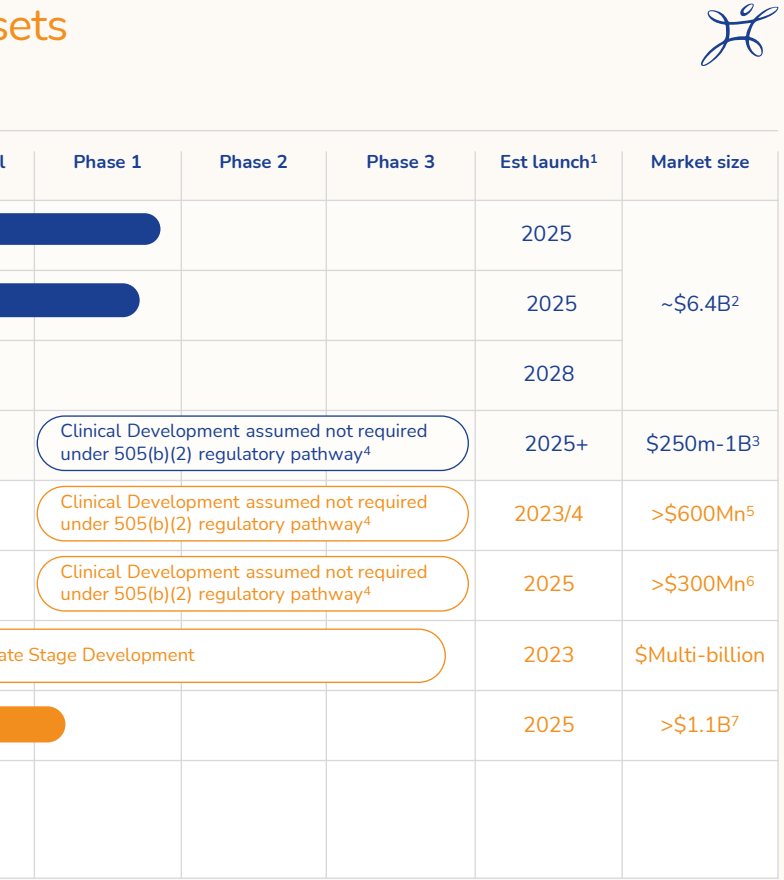
- Appointment of Lindsey Foulkes as Chief Operating Officer

Intellectual Property

- Further strengthened IP portfolio with US grant of key patent (multi-dose proteins)

A broad portfolio of de-risked and innovative assets

Portfolio of de-risked in-house and partnered programmes



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 3 new collaborations signed so far in 2021

Revenue generating collaborations offering future license potential

Exclusive formulation study collaboration with Lilly

Differentiated, thermostable formulation

May 2021

Exclusive formulation study collaboration with Par Sterile Products

Differentiated ready to use formulation

June 2021

Exclusive formulation collaboration with Intas Pharmaceuticals

Differentiated, improved usability formulation

Sep 2021

02

Arecor’s proprietary development pipeline

Diabetes: Arecor's first therapeutic franchise

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

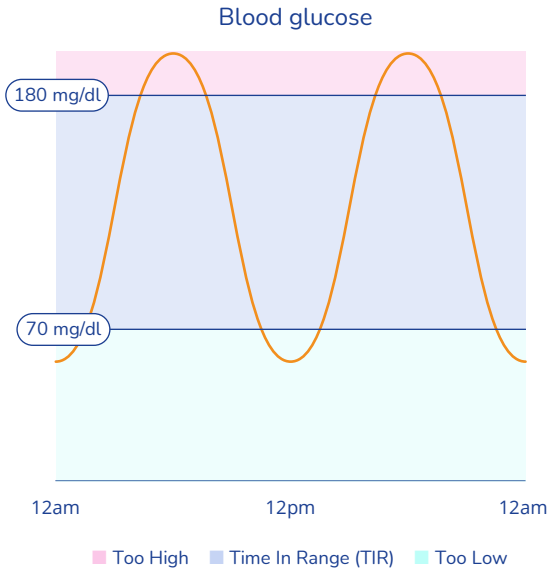
AT247 Ultra rapid acting insulin with potential to be the best-in-class

Fastest acting meal-time insulin to improve patient outcomes

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

Potential to be **life changing** for diabetes by enabling a fully automated artificial pancreas

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

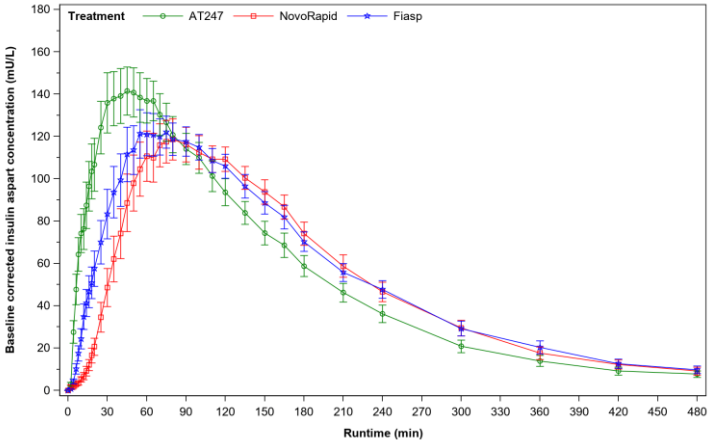
AT247: Improved profile vs current gold standard treatments

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

Phase I clinical study[1] results

AT247 vs Fiasp®
(p<0.05)

- 2-fold increase in exposure in first 30 mins
- 1.5-fold increase in exposure in first 60 mins
- 12 mins faster time to 50% Cmax early
- 25 mins faster time to Cmax
- 27 mins faster time to 50% Cmax late
- Comparable total exposure to insulin (N.S) over 480mins



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

1Double-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®

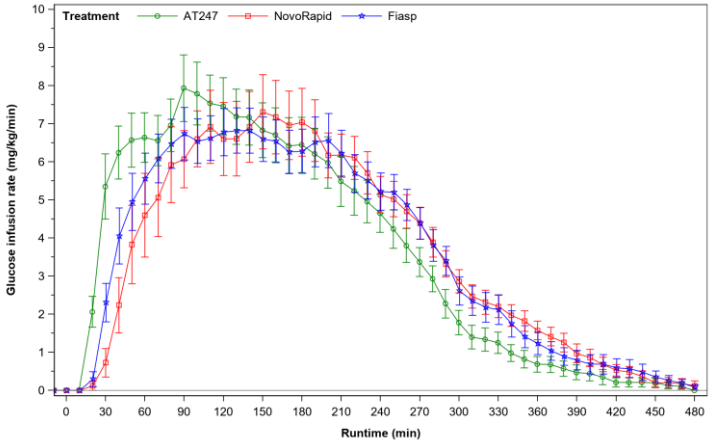
AT247: Improved profile vs current gold standard treatments

Superiority for early insulin action during 120min after dosing compared with Fiasp® and NovoRapid®

Phase I clinical study[1] results

AT247 vs Fiasp®
(p<0.05)

- 9 mins faster onset of action
- 3-fold increase in glucose lowering action in first 30mins
- 2-fold increase in glucose lowering action in first 60mins
- 20 mins faster time to 50% GIRmax
- Comparable glucose lowering action (N.S.) over 480 mins



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

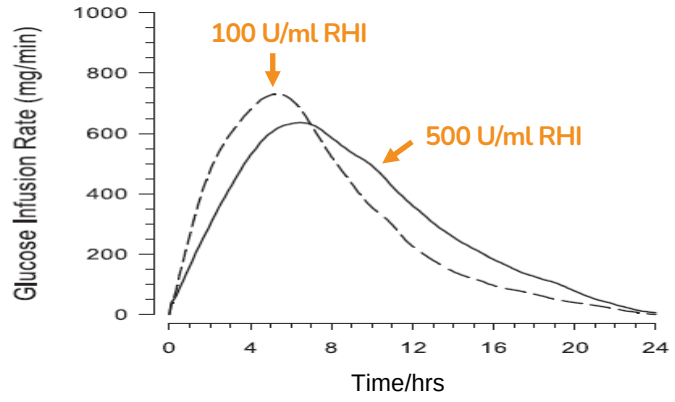
1. Double-blind, randomised, three-way cross over study; 19 Type 1 diabetic patients; Comparing the pharmacokinetic and pharmacodynamic profiles of AT247 to current best in class prandial insulin treatments NovoRapid® and FIAsp®

AT278: The challenge and patient need

Creating a disrupter insulin

Challenge

- Increasing insulin concentration = slower insulin action
- Faster insulins = improved blood glucose control



From de la Pena et al. Diabetes Care, 24, 2496-2501, 2011; RHI = Regular Human Insulin

Need

- Superior insulin for severe insulin resistant patients who need to administer large daily doses (>200 U/day)
  - Only concentrated (500 U/mL) insulin available to patients today is not fast acting
  - Reduction in injection volume and potentially number of injections vs NovoRapid® and Humalog®
- **Market disruptor**: Insulin delivery moving to next generation miniaturised insulin pumps
  - Concentrated rapid acting insulin a critical enabler
- AT278 potential to be first concentrated ultra-rapid acting insulin available to 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

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. Existing ~$1B market

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 1 insulin pump study initiation – **Late 2021**
AT278 Ultra Concentrated Rapid Acting Insulin					AT278-104 clinical study planning in progress

03

Financials, outlook and newsflow

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 capitalisation of £62.5m at Admission

Revenue

- Revenue of £0.5m (H1 2020: £0.8m, including £0.3m milestone)

R&D

- Investment in R&D of £1.9m (H1 2020: £1.6m)

Cash & Cash Equivalents

- £22.1m at 30 June 2021 (30 June 2020: £2.5m)

Key financials

	Six months to 30 Jun 2021	Six months to 30 June 2020	Year ended 31 Dec 2020
Revenue	**£0.5m**	£0.8m	£1.7m
Other income	**-**	£0.4m	£0.4m
Total income	**£0.5m**	**£1.2m**	**£2.1m**
R&D	**£1.9m**	£1.6m	£3.9m
SG&A	**£1.4m***	£0.9m	£1.6m
Loss after tax	**£3.1m**	**£1.0m**	**£2.8m**
Cash	**£22.1m**	**£2.5m**	**£2.9m**

Highlights

Revenue
Formulation development revenue of £0.5m in line with prior period

2020: included £0.3m milestone

Other Income
£50k start up of £2.8m BMC grant

2020: £0.4m from the final stages of two Innovate grants

Strengthened balance sheet at 30 June 2021
Cash balance of £22.1m
Conversion of £4.4m shareholder loans

* Includes £0.5m nonrecurring IPO costs

Arecor: Focused on execution and delivery

Key upcoming milestones

2020

- 3 new license agreements: Hikma x 2, Inhibrx
- Positive AT247 Phase I clinical data presented at American Diabetes Society
- AT278 Phase I study initiated

2021

- £2.8m Innovate UK grant awa
- Successful AIM IPO raising £20m
- AT278 Phase I study results
- AT247-103 US IND allowance
- Hikma co-development – achieve next license milestone
- Technology partnering growth

2022

- Clinical results from diabetes franchise
- Expand specialty hospital licensing partnerships

Highlights to date and what's next....

Driving better healthcare through the transformation of today's therapies

Highlights to date

- Significant clinical development progress within diabetes franchise
- AT278-102 positive Phase I clinical results
- AT247-103 IND clearance from FDA
    - Awarded £2.8m Innovate UK grant to support PhII clinical development of AT247
- 3 new formulation study collaborations signed
- Continue to strengthen IP portfolio and team

What's next....

- AT247-103 clinical study with results expected within 2022
- Further advancement of Hikma license collaborations
- Advance specialty hospital franchise to partnering

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Thank you