Arecor

Advancing today's therapies to enable healthier lives

Interim results for the six months ended 30 June 2023

14 September 2023

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Presentation Team

Dr Sarah Howell

Chief Executive Officer

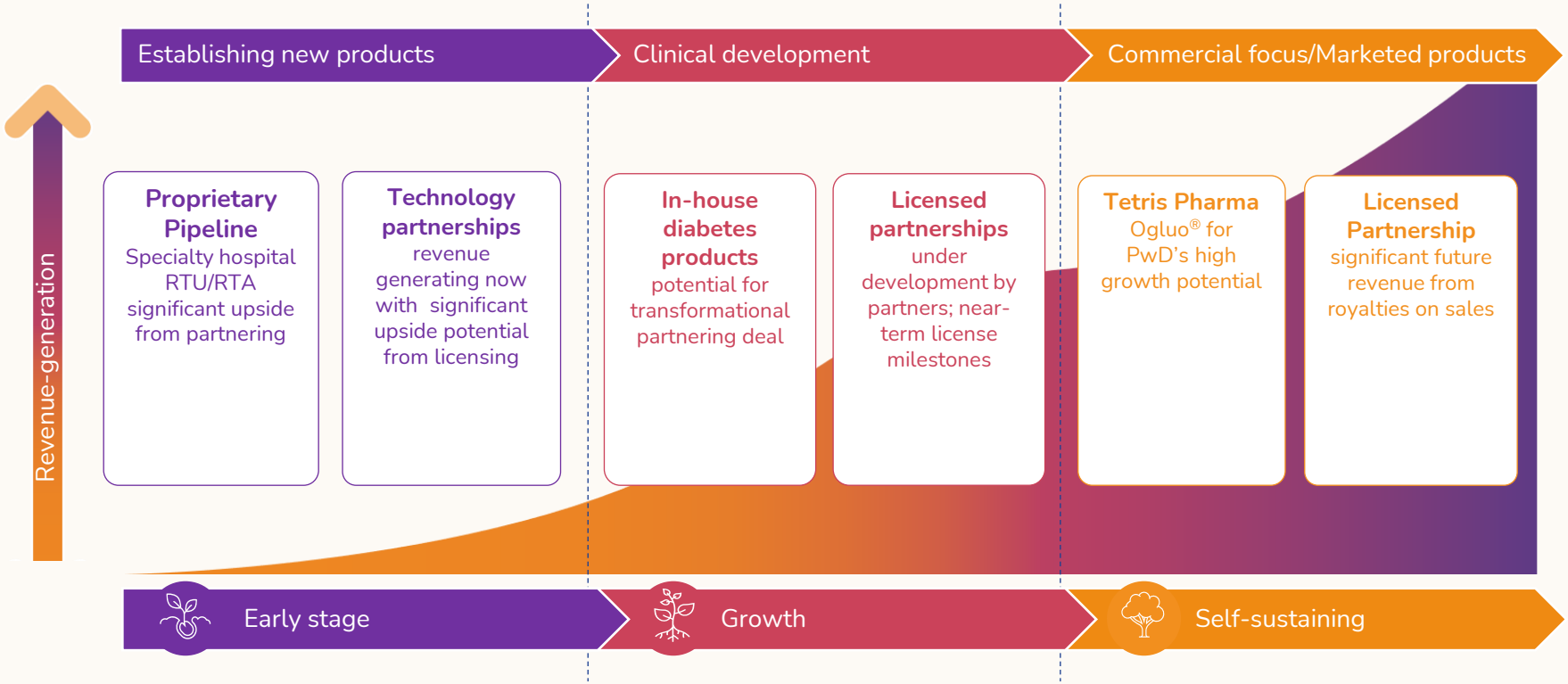
Susan Lowther

Chief Financial Officer

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

Building value through better patient care

Combining in-house development with partnered portfolio offer potential for significant revenue generation



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						2026	~$6.4bn[1]
	AT247	Diabetes						2026	
	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						2023/24	$multi-billion
	AT292 (INBRX-101) INHIBRX	Alpha-1 antitrypsin deficiency				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 * Including undisclosed partners	Formulation development							
Commercialised	Ogluo® xeris BIOPHARMA	Ready-to-use glucagon pen						Launched UK, Germany, Austria, Denmark & Norway	~£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

Operational highlights (including post-period events)

Building towards a significant self-sustaining biopharmaceutical company

Significant partnership progression

- **AT307** transferred to Hikma triggering milestone payment; positive pre-IND meeting with FDA confirming abbreviated 505(b)(2) regulatory pathway
- **AT292** (INBRX-101) – Initiation of registration enabling clinical trial by Inhibrx
- **AT220** – Regulatory approval by partner expected in coming months for first product incorporating Arestat™ technology
- Three additional technology partnerships with pharmaceutical and biotech companies; 11 since IPO
- Appointment of Dr. Manjit Rahelu as Chief Business Officer

In-house proprietary pipeline

- **AT278** – Second Phase I clinical trial in people with Type 2 diabetes ongoing; earlier data published in *Diabetes Care*
- **AT247** – Phase I clinical data presented at American Diabetes Association (ADA)
- Key development progress across specialty hospital portfolio achieving differentiated RTU/RTA product formats

Commercial products

- Continued sales growth of **Ogluo®;** launches in three additional EU territories so far in 2023
- Exclusive commercialisation agreement signed with Goodlife in BeNeLux region

Strength of IP

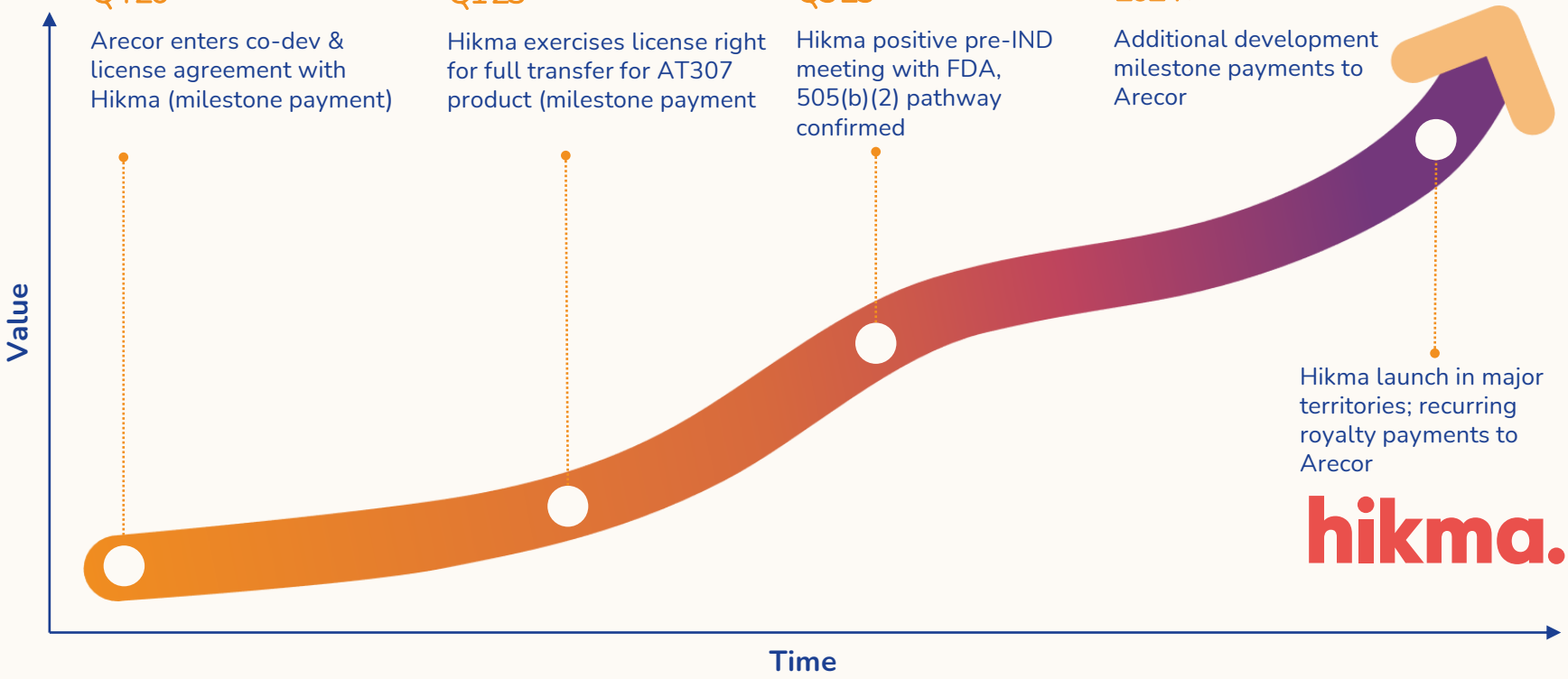
- Five additional patent grants including within US and EU

01

Capturing long term value through partnerships

Significant progress on AT307 with partner Hikma de-risking development and bringing product closer to market

Under milestone and royalty bearing license agreement



Licensed partnered products moving closer to market launch

Generating near-term and longer term revenues from development milestones and commercial royalty payments

AT220

* Undisclosed partner

- Partner has taken key regulatory steps towards commercialisation for this product incorporating Arestat™ technology
- Regulatory approval by partner expected in coming months
- Under a milestone and royalty-generating license agreement
- Additional pre-royalty milestone payment under license agreement
- Will generate **recurring royalty revenue** once on market

AT292 (INHBRX-101)

- Arestat™ formulated optimized recombinant human AAT-Fc fusion protein, for treatment of patients with emphysema due to alpha-1 antitrypsin deficiency
- **April-23**: Registration-enabling ElevAATe clinical trial initiated
- **May-23**: FDA granted fast track designation
- Initial read-out from the ElevAATe trial is expected to occur in late 2024
- Additional near term development milestone payments expected

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

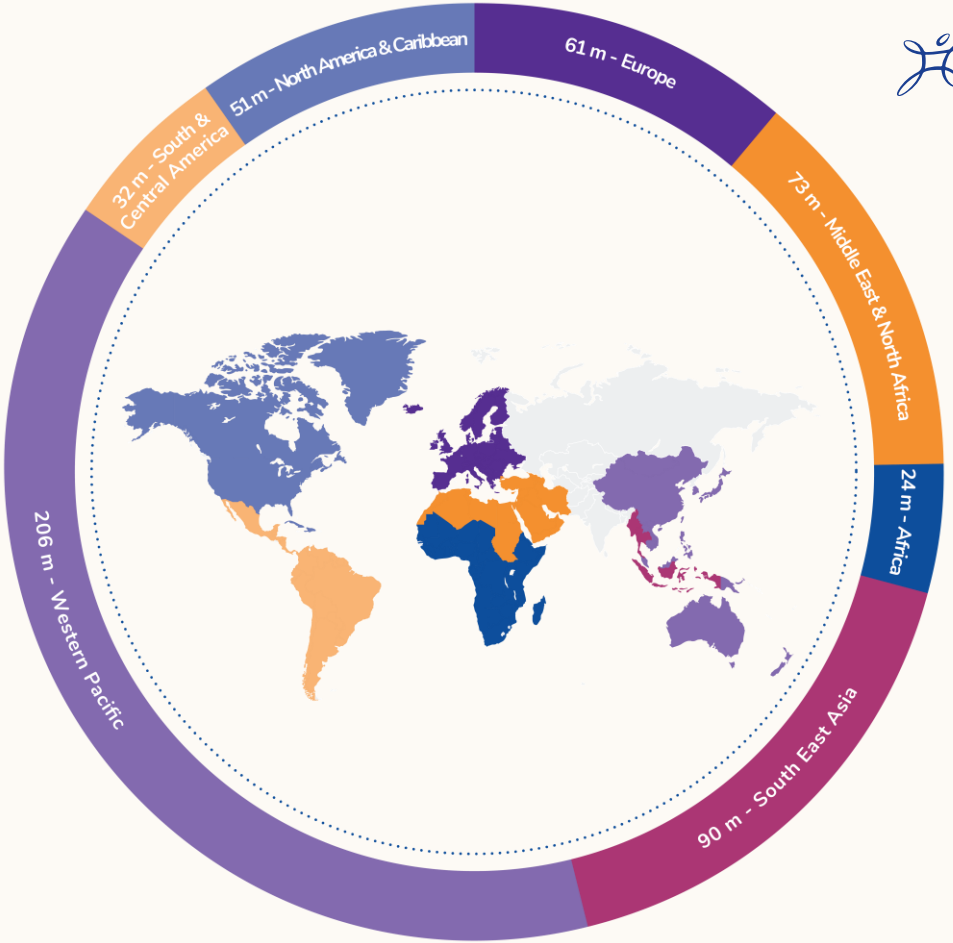
adults are living with diabetes

$966 billion

estimated global expenditure

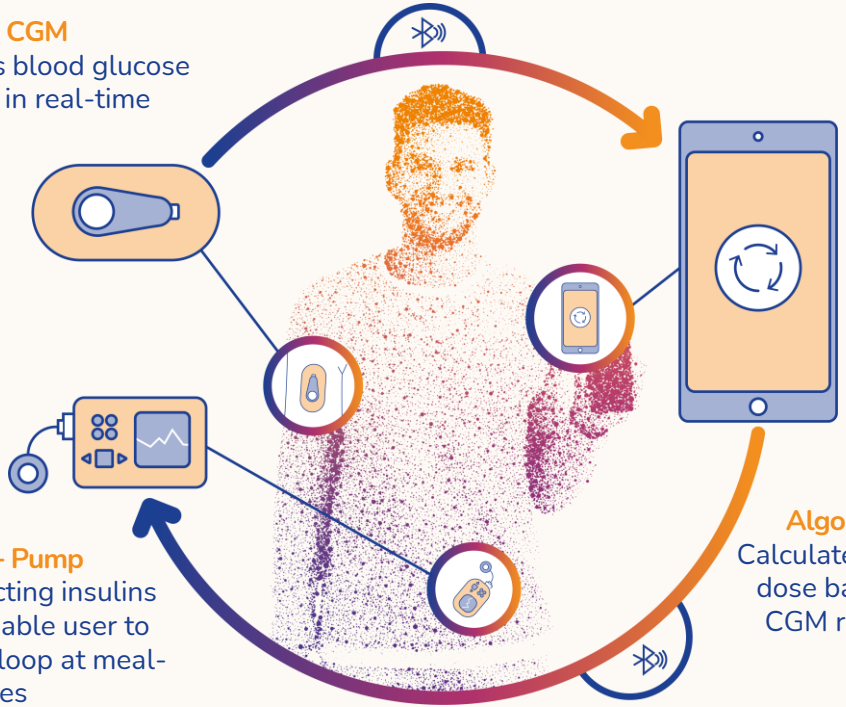
6.7 million

deaths due to diabetes in 2021



AT247 Potential to enable transformational fully closed loop artificial pancreas

Ultra-rapid acting 100U/mL insulin to 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

Successful completion of two Phase I clinical studies

- 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 (URI) product available to patients

The need

- Growing number of type 2 diabetics requiring high daily doses of insulin (>100U/day)
  - ~35% US T2Ds on insulin require 100U/day; ~18% T1Ds
- 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 miniaturised 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 potentially only ultra-concentrated rapid acting insulin

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

>80% of HCPs indicate they would use both the AT278 pen and the AT278 patch pump in patients receiving 200+ insulin units

"Improved insulin absorption from smaller volume injection leads to more predictable insulin action and improved glycemic control" – Endo

The future - AT278 enabled next generation miniaturised, longer wear pump

Miniaturisation and extended wear is not possible without an ultra-concentrated, ultra-rapid insulin

AT278 + next generation insulin pump

Simplify care and improve outcomes

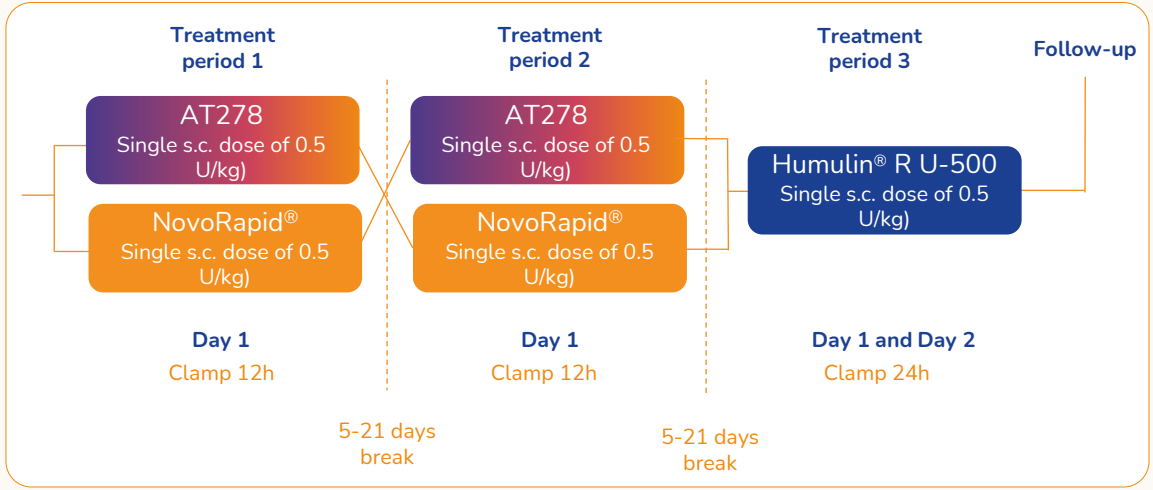
Potential to revolutionise treatment by reducing disease burden

Disrupt T2D market by converting more T2Ds to insulin pump therapy

AT278 Second clinical trial first patient dosed Mar 2023

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

- Initiated January 2023, first patient dosed March 2023
- Phase I randomised, double-blind study in 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 high insulin use patient population; T2Ds with BMI between 25 and 45 Kg/m2

Comparing PK/PD profile for AT278 compared with treatment options available today NovoRapid® and Humulin® R U-500

04

Tetris Pharma

Tetris Pharma continues to deliver with Ogluo® sales growth

- Continued success of European commercial roll-out of Ogluo®
- Post Arecor acquisition demonstrating Ogluo sales growth
- Made available in 3 new territories within 1H 23 – Austria, Denmark and Norway – alongside Germany and UK
- Entered into a commercialisation agreement with Goodlife in BeNeLux region; Netherlands launch planned for 1H 24
- High quality shortlist of candidates for new Tetris MD
- Strong strategic fit for Group with future optionality for specialty products franchise

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

2023 H1 financial highlights

Key financials

- Revenue increased by 141% to £1.7m (H1 2022: £0.7m)
- Total income increased by 103% to £2.3m (H1 2022: £1.1m)
- Investment in R&D of £2.9m (H1 2022: £4.8m)
- Loss after tax of £4.5m (H1 2022: £4.4m)
- Cash, cash equivalents and short-term investments of £8.2m at 30 June 2023 (30 June 2022: £13.7m)

Post period end

- R&D tax credit of £1.3 million received on 3 August 2023

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

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

Key financials

Focus on delivering consistent year-on-year revenue growth

£'m	H1 2023	H1 2022
Formulation development	0.4	0.7
Milestone	0.1	-
Pharmaceutical products	1.2	-
Total revenue	**1.7**	**0.7**
Grant income	0.6	0.4
Total income	**2.3**	**1.1**
Loss after tax	**4.5**	**4.4**
Net assets	**13.2**	**14.6**

Doubling of total income

- Revenue from 2 new formulation projects, signed post period, will be recognized July onwards
- Hikma milestone triggered in January
- 117% increase in Tetris Pharma product sales, against H1 22 pre-acquisition sales of £561k

Loss after tax of £4.5m

- R&D of £2.9m (H1 22: £4.8m)
- S,G&A £4.4m (H1 22: £1.6m)

Net assets of £13.2m

- Cash and investments £8.2m, with post period receipts inc. £0.4m grant and £1.3m R&D credit
- Trade receivables of £4.7m, payables and accruals of £6.3m

Significant upcoming milestones to drive growth

Existing licensing and new licensing upside potential

2023

- AT307 transfer to HIK & license milestone and positive FDA feedback from pre-IND meeting achieved
- AT278-104 first patient dosed
- Continued revenue growth
  - Additional technology partnerships
  - Potential for licensing from in-house specialty hospital product portfolio during 2H 2023
  - Potential to achieve additional license milestones from existing partnerships
  - Continued sales growth of Ogluo®
- Significant progress by partners across licensed portfolio
  - Inhibrx initiated pivotal clinical study, next license milestone expected within 2H 2023
  - AT220 regulatory approval expected

2024

- Significant potential returns from license milestones and royalties
  - AT220 commercial traction
  - Hikma AT307 progressing towards market
- AT278-104 clinical results
- Continued progress across partnered portfolio
- Expansion of in-house specialty hospital pipeline
- Additional licensing and technology partnerships driving growth
- Accelerating commercial traction across UK and Europe of Ogluo®

2025 onwards

- Multiple products under license and commercialised, or close to market launch
- Significant acceleration of revenue generation with broadened mix
- Continued expansion and development of in-house pipeline
- Multiple additional licensing and technology partnerships driving growth

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Thank you

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