

## Arecor Therapeutics

TRx co-development deal centred on oral GLP-1 product

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- Arecor has partnered with TRx Biosciences to develop an oral GLP-1 (glucagon-like peptide-1) receptor agonist product. [TRx Biosciences](#) is a private drug development company with technologies that enable difficult to formulate molecules, such as lipophilic or complex compounds, to be delivered orally. This collaboration aims to exploit the complementary elements of Arecor's Arestat platforms with TRx's Lipicore oral delivery enabling expertise to improve the oral bioavailability of semaglutide. If this collaboration is successful, it is expected to be extended to develop other high-value peptides in commercially attractive oral delivery formulations.
- The GLP-1 class was originally conceived to address Type II diabetes, where its proven time in range and HbA1c reduction have seen injectable products, such as Novo Nordisk's Ozempic (semaglutide) and Eli Lilly's Trulicity (dulaglutide), effectively supplant long-acting insulin for many patient groups. More recently, extensive clinical data showing significant weight loss have made household names of the leading products, with the commercial potential propelling valuations of the main players to new highs. Estimates vary widely but the GLP-1 receptor agonist market could surpass \$100bn by 2030. Sales of the sole approved oral product, Novo Nordisk's Rybelsus (semaglutide), were \$2.8bn in 2023, despite its low oral bioavailability and requirement to be taken on an empty stomach.
- Oral delivery is an area of unmet need representing a large opportunity, with potential to capture significant value if the key challenges can be overcome. Improved oral bioavailability has several potential benefits from the reduced dose required: lower CoGs, fewer supply constraints, better patient adherence, and potentially reduced GI side effects. Such a profile should stimulate partnering interest, as well as providing proof of concept for the development of other products where oral delivery is desirable.
- This new deal also complements Arecor's existing diabetes franchise. This consists of the two wholly owned fast acting insulins AT278 (ultra-rapid, ultra-concentrated) and AT247 (ultra-rapid), which are a key focus for investors given the upside potential. Data from the second Phase I study of AT278 in Type II diabetes patients are on-track for H124. Diabetes remains a huge and growing global problem and advances in insulin pumps require specialist insulins, such as Arecor's products, to capitalise on their benefits.

Price	135.0p
Market Cap	£41.4m
Primary exchange	AIM
Sector	Healthcare
Company Code	AREC
Corporate client	Yes

### Company description:

Arecor Therapeutics is a revenue-generating clinical stage drug developer, with a well-balanced portfolio of in-house and partnered programmes. Its proprietary Arestat formulation platforms result in enhanced products with lower development risks and less onerous regulatory approvals.

**Trinity Delta view:** Arecor's formulation expertise underpins both the in-house clinical pipeline and the partnered Specialty Hospital Products programmes. Investor attention is understandably focused on the diabetes franchise, hence the upcoming AT278 Phase I data are eagerly anticipated. Although still at the earliest stages, this partnership with TRx Biosciences for an oral GLP-1 product not only addresses a highly commercially attractive segment but, if successful, could provide complementary approaches that broaden Arecor's formulation expertise to oral delivery. Our valuation, based on conservative assumptions, is £179m, equivalent to 583p per share.

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