Arecor

Advancing today's therapies to enable healthier lives

Results for the year ended 31 December 2023

16th May 2024

www.arecor.com

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Presentation Team

Dr Sarah Howell

Chief Executive Officer

>25 years experience in biotech and pharma, encompassing senior level commercial and managerial roles:

- GSK Market access for HIV into emerging markets
- Lead on CMC and product development for Celltech pipeline
- Product lead of Cimzia at UCB, through late stage development, approval and launch
- BTG overseeing clinical and commercial product developing and member of the M&A LT
- CEO of Arecor since 2015 overseeing private fundraising and successful IPO in 2021

Manjit Rahelu

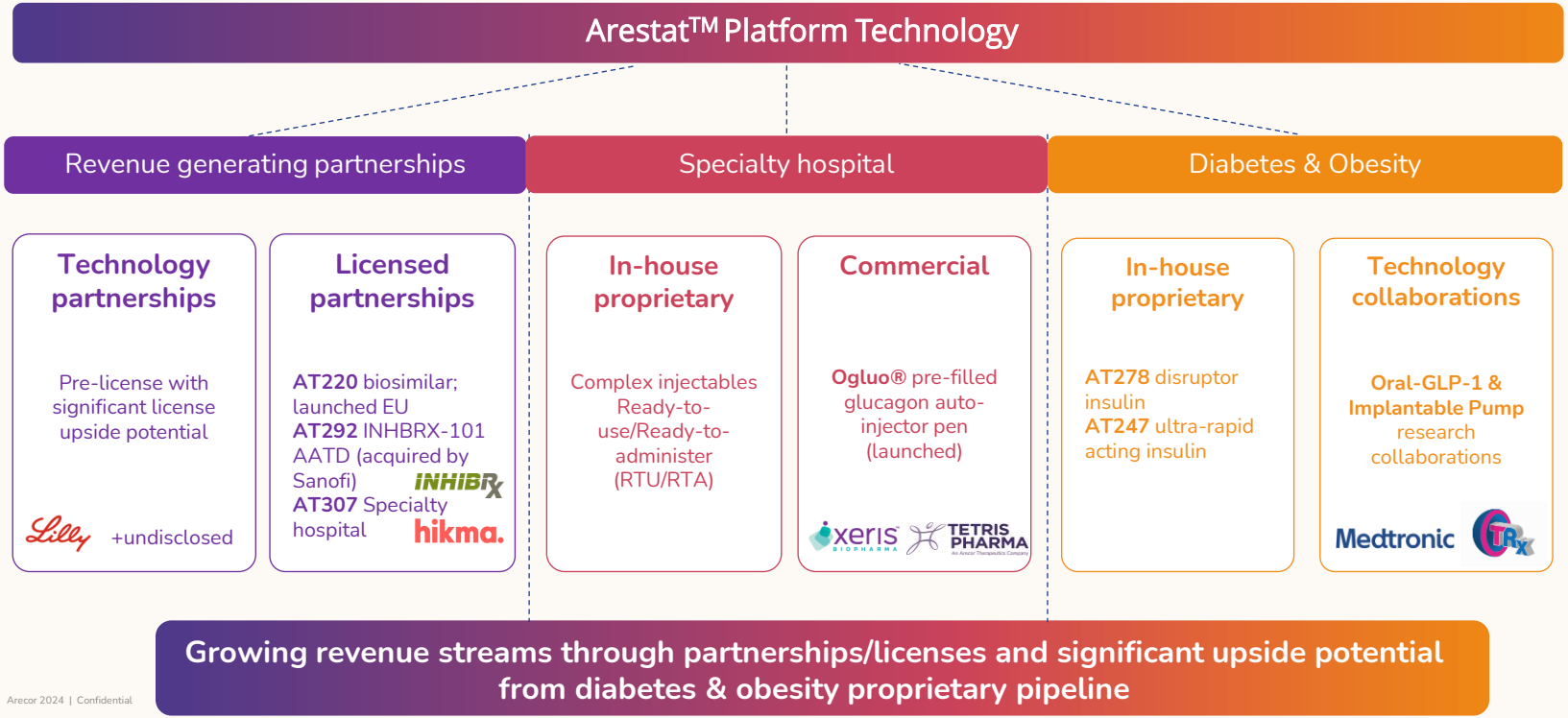
Chief Business Officer

>25 years of scientific, commercial, deal-making and financial experience across major global pharmaceutical and biotechnology companies:

- Clinical development oncology and endocrinology at Novartis
- Global business development at Pfizer and Sanofi, commercial experience in endocrinology
- Global Business Development in smaller biotechs including Allergy Therapeutics and notably Convergence Pharmaceuticals where he played a key role in their sale to Biogen
- CBO and COO at Calchan where he oversaw Strategy, Infrastructure, process and BD

Building value through better patient care

Developing enhanced therapeutics that address areas of high unmet need in large markets



Operational highlights (including post-period events)

Driving better healthcare through the transformation of today's therapies

Licensing and partnering

- **AT220** launched by partner, Arecor receiving royalties under worldwide license agreement
- **AT307** FDA confirming abbreviated 505(b)(2) regulatory pathway and development continues at Hikma
- Sanofi announces intention to acquire INBRX-101 (**AT292**), incorporating Arestat™
- **Six new technology partnerships** established with leading global companies

Leadership team

- Expanded and strengthened the team. Dr. Manjit Rahelu as CBO and Dr. Helen Parris as SVP Commercial and GM of Tetris Pharma
- Susan Lowther is stepping down as CFO, Company Secretary and Board Director. A search for a successor is underway

In-house proprietary pipeline

- **AT278** Phase I clinical study in Type 2 diabetic patients on track to report headline **results H1 24**
- Expanded pipeline:
  - Oral-GLP collaboration with TRx Biosciences
  - Insulin + implantable pump Medtronic

Commercial products

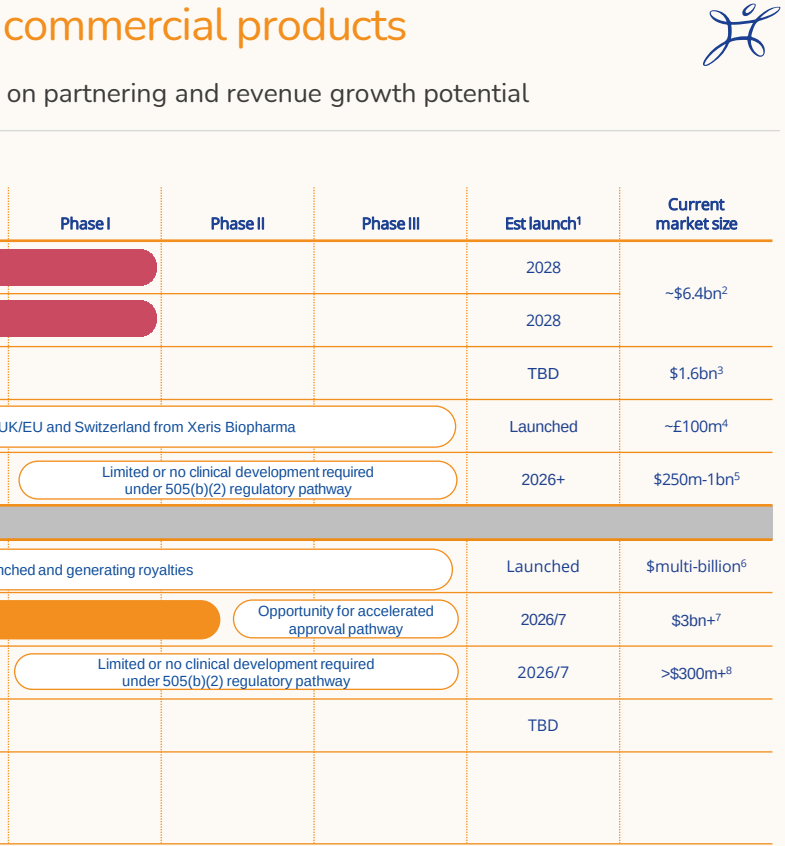
- Continued sales growth momentum for **Ogluo®** with 3x revenue growth

Strength of IP

- Five additional patent grants including within US and EU

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



1. Subject to appropriate funding and 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. Rybelsus Novo Nordisk Annual Report 2022 sales DKK 11.3bn ($1.6bn exchange rate as at May 2024). 4. Management analysis and IQVIA data; 5. Range of currently marketed products, source company annual reports and IQVIA, noting some products not yet subject to generic competition, after which time it is expected that market size by revenue will reduce; Management assumption that new formulation will not require clinical data for approval under 505(b)(2) guidelines, further validated by HIK pre-IND meeting with US Food & Drug Administration; 5. Marketed product sales from originator; 6. Originator 2023 product revenue as reported in Annual Report; 7. Inhibrx Corporate presentation, Jan 2021, 8..Management analysis;

Capturing long term value through partnerships

First product launched under license and significant progress across pipeline

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

AT220

Undisclosed partner

- Now **launched** and generating **royalties** to Arecor under worldwide licensing agreement
- Validates value of Arestat™ technology in enhancing the profiles of existing medicines
- First Arestat™ enabled product to be approved by major regulatory bodies

AT307

hikma.

- Hikma fully responsible for development and commercialisation
- Positive pre-IND meeting with the FDA confirming abbreviated 505(b)(2) regulatory pathway

AT292 (INHBRX-101)

INHIBRX

- Arestat™ formulated optimised recombinant human AAT-Fc fusion protein, for treatment of patients with emphysema due to alpha-1 antitrypsin deficiency
- Sanofi acquiring Inhibrx and rights to INBRX-101 (**AT292**), for up to $2.2bn validating patient need and value of INHBRX-101
- Sanofi acquisition will boost the probability of INHBRX-101 coming to market and downstream license revenue to Arecor
- Registration-enabling ElevAATe initial clinical trial read-out expected in late 2024

Specialty Hospital

Aim to become global leader in RTU/RTA specialty hospital products

Developing Ready-To-Use (RTU) / Ready-To-Administer (RTA) products for unmet needs of patients and healthcare systems

Arestat™ enabled RTA/RTU products

- **Safety** - help to reduce medication errors
- **Speed & convenience** - Improved workflow, on-demand availability of medication
- **Fast & low cost/risk development** – via 505(b)(2) regulatory pathway

Market size & opportunity

- Typical addressable market size per specialty hospital product post genericisation **~$100-300m**
- Drive market share with differentiated RTU/RTA formats
- Flexible go-to-market strategy – Partnerships + option to commercialise in the UK/EU via Tetris Pharma

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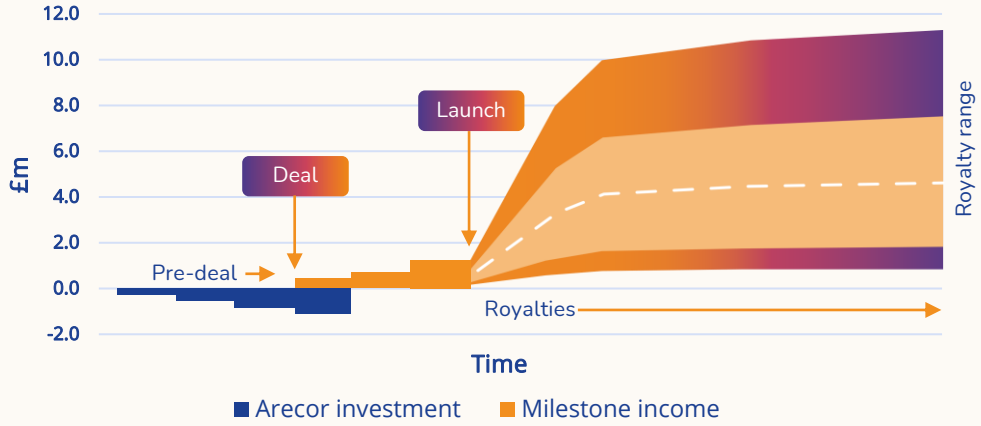
TETRIS PHARMA
An Arecor Therapeutics Company

Driving value with in-house proprietary Specialty Hospital Portfolio

Using our proven development engine to generate closer to market products, more quickly

Illustrative Specialty Hospital revenue build



Commercial Value Generation

Arecor's investment at least recouped from license deal milestones

Future royalties that offer significant upside to returns on investment

1. Arecor drive pace of development
2. De-risk further development and commercial launch by taking closer to market
3. Improves commercial opportunity for Arecor

Confidence in further value driving partnerships from internal portfolio

Ogluo® driving revenue growth since launch within ~£100m market segment

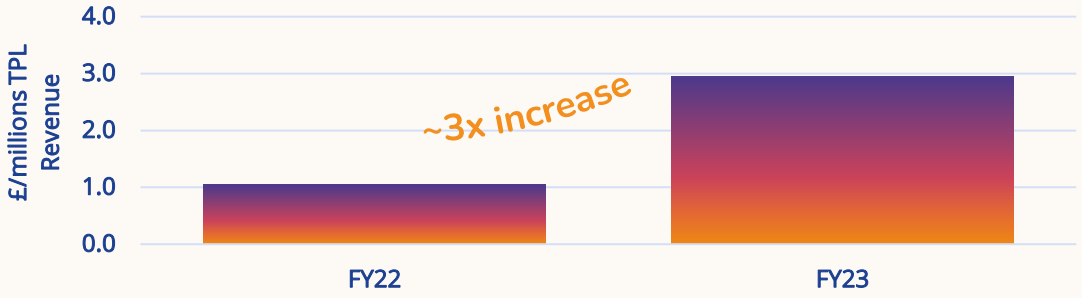
Arecor commercial arm, Tetris Pharma provides optionality to retain value across specialty hospital portfolio

GlucaGen® Hypokit® – Current SoC

Complex **8-step** administration

Ogluo® - RTU Glucagon PEN

- Simple **2-step** administration
- **99% success rate**[1] in administration in PwD's



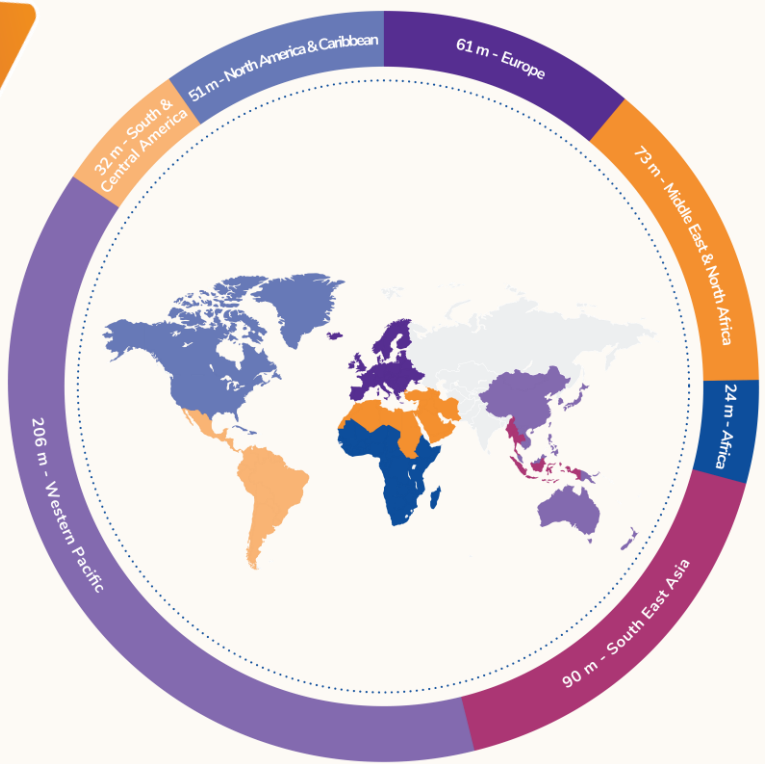
- **Ogluo®** key RTU glucagon product for people with diabetes
- **Indicated** for the treatment of severe hypoglycemia in people with diabetes
- **Under New Leadership** of Dr Helen Parris (Jan 24)
- **Driving revenue growth** from Ogluo® and building-out pan-EU infrastructure
- **Opportunity with Tetris Pharma to launch** specialty hospital products across UK/EU to drive more value

Enhanced insulins for more effective treatment of diabetes

AT278 Phase I clinical data on track to report H1 24. Population of T2DM’s who are overweight / severely obese

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

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



6.7
million
deaths due to diabetes

$966
billion
estimated global expenditure

64
million
Insulin users globally

1

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

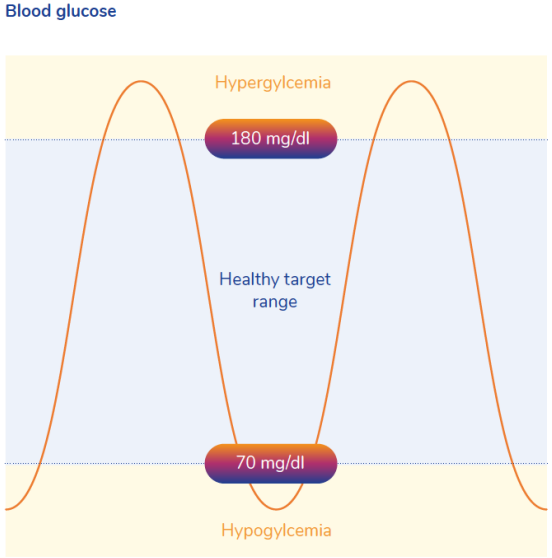
Fastest acting meal-time insulins to improve patient outcomes

AT278 'disruptor insulin' the first ultra-concentrated ultra-rapid acting insulin for high insulin users

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

Both are **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



Less than 25% achieve recommended blood glucose targets[1]

Arecor's goal is to improve treatment outcomes for patients requiring insulin, a **~$6.4B[2] market**

1. Hankosky ER, et. Al. Gaps Remain for Achieving HbA1c Targets for People with Type 1 or Type 2 Diabetes Using Insulin: Results from NHANES 2009-2020. Diabetes Ther. 2023 Jun;14(6):967-975
2. Meal-time rapid and ultra-rapid acting insulin market 2021, including Humulin franchise, 2021 sales revenues reported in Company Annual Reports

AT278 is unique – No ultra-concentrated, rapid acting insulin exists today

The Need – Efficacy for high total daily dose needs

- An increasing number of people with diabetes require high-doses of daily insulin.[1] Nearly 10% of insulin scripts written in 2022 were for products with a concentration of >100U /mL[2]
- Current options require large injection volumes and have poor PK, this presents a gap between patient and physician needs and what is clinically achievable[3]. Current options:
    - Existing low concentration insulins, requiring high injection volumes, variable PK and multiple injections
    - Humulin-R U500, is not a prandial insulin and has a difficult to manage “intermediate acting” profile

AT278’s opportunity

- AT278 is positioned as the only ultra-concentrated, rapid acting prandial insulin for people with high insulin needs
- Aims to provide improved glycemic control, lower injection volume, flexible dosing, fewer injections, longer lasting pens
- Better efficacy for physicians, reduced disease burden and cost savings patients

1. Precedence Research. Diabetes drug market - global industry analysis, size, share, growth, trends, regional outlook, and forecast 2023-2032; www.precedenceresearch.com
2. 2022 TRx Symphony reports
3. Findings are supported by Quantitative research findings with HCPs (n=101), Endocrinologists (n=50), Internists (n=51) (conducted May 2022) and subsequent qualitative research (conducted October 2023) with n=5 endocrinologists and n=2 diabetic nurse educators. Blinded Target Product Profile of AT278 was shown / challenged

The profile of AT278 addresses key unmet needs and expanded applications

AT278 products provide additional treatment options without directly competing with existing products

A unique pen for high insulin users

- Unique attributes have the potential to become SoC
- Better efficacy in the high in the dose setting
  - Better post prandial BG control
  - Predictable efficacy with dosing at or around mealtimes
- Improved daily handling for convenience and adherence
  - Higher-concentration, lower injection volume, less pain and discomfort on injection
  - Greatly improved daily utility, handling & logistics (1-2 pens a month rather than 1-2 pens a week)
- Lower costs
  - More insulin per prescription, lower co-pays
  - Cost neutral for payers in a high spend population

A miniaturised & longer wear nanoPatch

- Insulin pumps and AID systems are the SoC.....for efficacy
- Yet ~60% of T1D's & ~95% of T2D's DO NOT use pumps
- Major issues remain around size and discomfort
- The psychosocial impact of making an invisible condition, a visible 'disorder' is a significant burden
- A truly miniaturised pump needs new pumping technology AND a concentrated rapid acting insulin
- Device companies have been targeting patch pumps & longer wear
  - $5.5bn market today, est. >$15.5bn by 2030

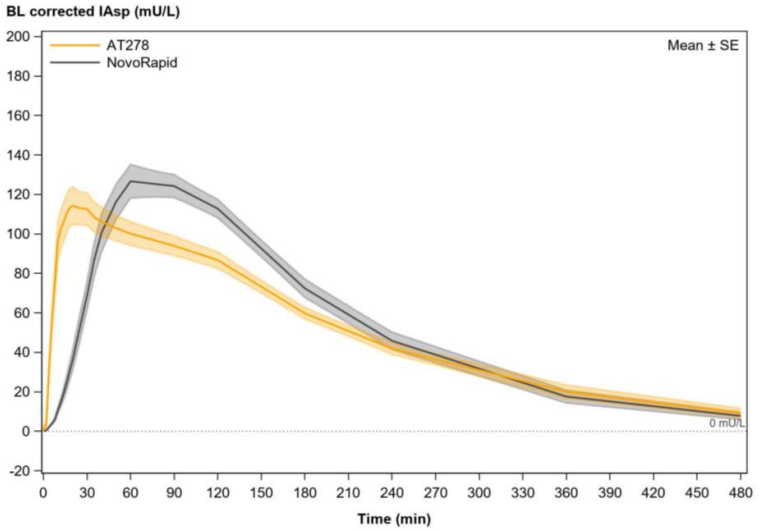
AT278 T1D: Successfully met all primary end-points in Phase I with best-in-class PK compared with 100 U/mL NovoRapid®

Superiority for onset of appearance and exposure during 60 min after dosing compared with NovoRapid® (Novo Nordisk)

Phase I clinical study[1] results

AT278 vs NovoRapid®
(p<0.05)

- 4 -fold increase in exposure in first 30 mins
- 1.5 -fold increase in exposure in first 60 mins
- 6 mins earlier onset of appearance
- 23 mins faster time to 50% Cmax early
- 44 mins faster time to Cmax
- Comparable total exposure to insulin (N.S) over 480mi



1. Double-blind, randomised, two-way cross over study; 38 Type 1 diabetic patients; Comparing the pharmacokinetic and pharmacodynamic profiles of AT278 to current best in class prandial insulin treatment NovoRapid®

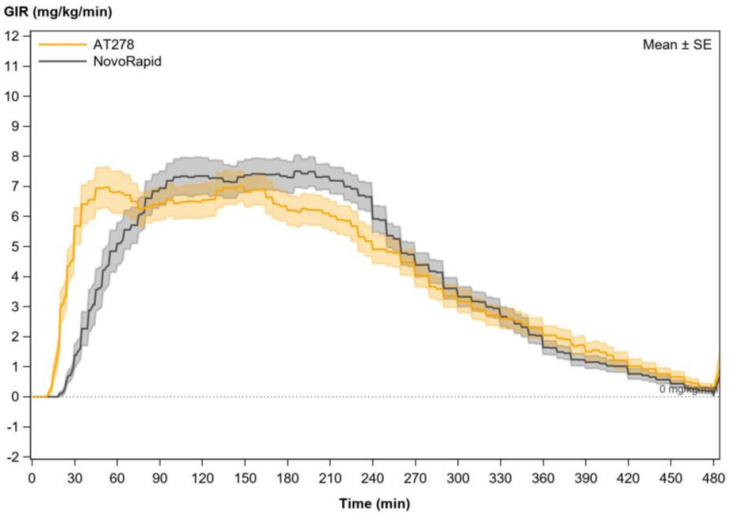
AT278 T1D: Successfully met all primary end-points in Phase I with best-in-class PD profile compared with 100 U/mL NovoRapid®

Superiority for early insulin action during 60 min after dosing compared with NovoRapid®

Phase I clinical study[1] results

AT278 vs NovoRapid®
(p<0.05)

- 9.5 mins faster onset of action
- 9- 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

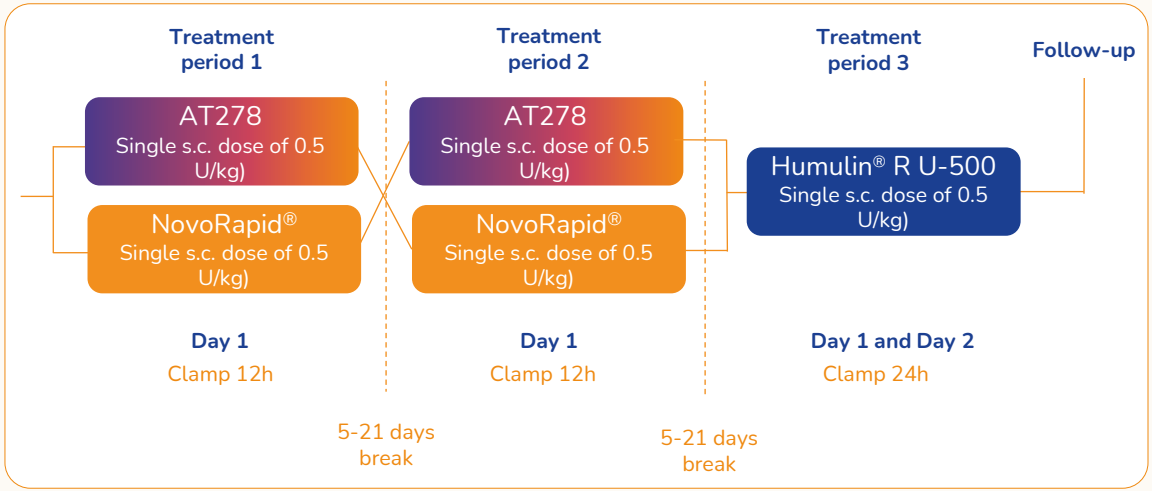


1. Double-blind, randomised, two-way cross over study; 38 Type 1 diabetic patients; Comparing the pharmacokinetic and pharmacodynamic profiles of AT278 to current best in class prandial insulin treatments NovoRapid®

AT278 Phase I clinical trial in T2DM's headline results expected H1 24

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

- Patient dosing progressing well, expecting to report **headline results H1 24**
- Phase I randomised, double-blind study in adult patients with type 2 diabetes



Why is it important?

First study in high insulin use patient population; comorbid, overweight to severely obese patients with Type 2 diabetes

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

Next steps will be driven by clinical data – Opportunity to develop to next higher value inflection point alongside partnering options

04

Financials and newsflow

2023 Financial Highlights

Revenue growth of 90%

Key financials

£m	FY 2023	FY 2022
Group revenue	4.6	2.4
Other income	1.1	1.3
Total Income	**5.7**	**3.7**
Investment in R&D	6.0	8.6
S,G&A expenditure	8.9	5.6
Loss after tax	8.6	9.3
Cash and short term investments	6.8	12.8

Revenue growth of 90% driven from product sales, milestones and first royalties

R&D costs include ARE-278-104 clinical study (FY22 also included ARE-247-103)

S,G&A YoY increase due to full year of Tetris Pharma (5 months in 2022)

Growth and breadth in revenue base

£m	FY 2023	FY 2022
Formulation development	0.9	1.4
License milestones	0.7	-
Royalties	0.1	-
Product sales	2.9	1.0
Total revenue	**4.6**	**2.4**
£m	**FY 2023**	**FY 2022**
Loss after tax	**8.6**	**9.3**
Net assets	**9.5**	**17.5**

FY2023 revenues increased by 90%

- First royalties received in Nov – Dec 23 period
- License milestones across 3 agreements

Loss after tax of £8.6m

- Reflects lower R&D £6.0 m (2022: £8.6m) and increased S,G&A £8.9m (2022: £5.6m)

Net assets of £9.5m

- Cash and investments £6.8m (2022: 12.8m)
- Tax receivable £0.5m (2022: £1.3m)
- Trade receivables of £3.2m (2022: £2.2m) and payables of £4.9m (2022: £3.5m)

Continuing 2023 momentum with significant upcoming milestones to drive growth

Existing licensing and new licensing upside potential plus key clinical data for AT278 in 2024

Near Term catalysts

- **AT278-104** clinical results
- Significant potential returns from license milestones and **royalties**
- Continue to deliver commercial growth across UK and Europe of **Ogluo®**
- Expect to convert new licensing and technology partnerships driving revenue growth
- Expansion of in-house specialty hospital R&D pipeline for future licensing
- **Oral GLP-1** pre-clinical data

Growing revenue streams through partnerships/licenses and significant upside potential from diabetes & obesity proprietary pipeline

Arecor

Thank you

Contact

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