# Arecor Therapeutics plc

("Arecor", the "Company" or the "Group")

## Interim results for the six months to 30 June 2025

**Cambridge, UK, 25 September 2025:** Arecor Therapeutics plc (AIM: AREC), the biopharmaceutical company focused on drug development and delivery in diabetes and other cardiometabolic diseases, reports its unaudited interim results for the six months ended 30 June 2025.

**In-period operational highlights**

- **Portfolio - Diabetes (AT278 / AT247)**
  - In vitro modelling in automated insulin delivery (AID) pump systems with insulin pump device companies for AT247 and AT278 generating positive results
  - Extended IP portfolio in major territories
- **Portfolio – Obesity (Oral GLP-1 receptor agonist)**
  - Positive in-vitro progress
  - Data on track to be delivered in 2H 2025 to inform next development steps
- **Platform technology, Arestat®**
  - Three new formulation development collaborations signed with total pre-license revenue of over £1 million
  - Healthy pipeline of future partnerships and licensing opportunities
  - Expanded IP protection in major territories
- **Non-core operations**
  - Sale of inventory and rights to non-Ogluo Tetris products for £0.5m, in May 2025, with orderly cessation of Tetris by end 2025

**Post period-end**

- Positive FDA feedback on Phase 2 clinical study design for ultra-concentrated and ultra-rapid acting insulin, AT278, in combination with an AID system
- Co-development deal signed with US insulin pump device company, Sequel Med Tech, LLC ("Sequel") for Phase 2-enabling activities for AT278. Work already commenced – see separate announcement HERE.
- Sale of royalty and technology access fee streams for up to $11 million via royalty financing agreement with Ligand Pharmaceuticals Inc ("Ligand"); Arecor to receive $7 million upfront – see separate announcement HERE.
  - Extends cash runway to 1H 2027
- Established new Scientific Advisory Board of world leading experts in oral drug delivery

**Financial highlights (unaudited)**

- Revenue £2.0 million (1H 2024: £2.0 million)
- R&D costs of £1.3 million (1H 2024 re-stated: £1.7 million)
- Gain on disposal of non-Ogluo Tetris Pharma products of £0.4 million

- Loss after tax of £2.5 million (1H 2024: Loss £4.6 million)
- Cash, cash equivalents and short-term investments of £1.9 million at 30 June 2025 (at 30 June 2024: £2.5 million)

**Sarah Howell, Chief Executive Officer of Arecor,** commented:

*"Our strategic focus for 2025 onwards is two-fold: the development and commercialisation of AT278 in combination with the next generation AID systems, alongside the potentially high value field of oral peptide delivery, starting with GLP-1 in obesity. Much has been achieved in the first six months in refocusing the business to reflect this strategy, prioritising our development programmes, ceasing non-core operations and preserving cash.*

*"During 1H 2025, we advanced partner discussions around both AT278 and our financial position, culminating in the two partnership agreements announced today. The co-development agreement with Sequel, our US pump partner, will accelerate AT278's progress towards a pivotal Phase 2 clinical study. The royalty financing agreement with Ligand enables us to immediately co-fund trial-enabling development activities for the AT278 programme, as well as strengthening the balance sheet with a cash runway into 1H 2027.*

*"We enter 2H 2025 from a position of strength as we prepare AT278 for Phase 2 studies in 2026 and continue to drive research into our oral peptide delivery platform."*

-Ends-

**Analyst conference call**

Dr Sarah Howell, Chief Executive Officer, and David Ellam, Chief Financial Officer, will host a webcast for analysts and institutional investors at 3pm UK time on Thursday 25 September 2025. To register, please contact arecor@vigoconsulting.com. A copy of the interim results presentation will be released after the meeting on the Company website at www.arecor.com.

**Enquiries**


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**Notes to Editors**

**About Arecor**

Arecor Therapeutics plc is a clinical stage biopharmaceutical company focused on drug development and delivery in diabetes and other cardiometabolic diseases. The Company is applying its proprietary technology platform, Arestat®, to develop a portfolio of proprietary products, as well as working with leading pharmaceutical and biotechnology companies to deliver therapeutic products. Its lead product is AT278, the only ultra-concentrated (500U/mL) ultra-rapid acting insulin. Arecor is also developing a novel oral delivery

platform for peptides (e.g. GLP-1 receptor agonists) targeting the obesity and diabetes markets. The Company is listed on AIM (AIM: AREC) and is based in Cambridge, UK. For further details please see www.arecor.com

## Business Review

### Introduction

Arecor's strategic focus is on drug development and delivery in diabetes and other cardiometabolic diseases, with the aim of creating significant benefit for people living with these conditions, as well as building value for shareholders. The Company is progressing two proprietary development portfolios – one in diabetes and one for the oral delivery of peptides, underpinned by its proprietary Arestat® technology platform.

This interim report provides an update on the two portfolios, including the recent events post period-end related to a co-development agreement and non-dilutive financing which has been raised to accelerate the development of AT278 and strengthen the Company's position for future partnering discussions.

### Diabetes development portfolio

Arecor's lead asset, AT278 is the only ultra-concentrated and ultra-rapid acting insulin in development and is best-in-class. AT278 has the potential to enable and catalyse the next innovation leap in AID (automated insulin delivery) systems. The ultimate aim would be the creation of a next generation, longer wear miniaturised AID system to meet a fast growing and unmet patient demand, simplifying care and improving outcomes for people living with diabetes (PwD).

Arecor received positive FDA feedback on the Phase 2 clinical study design for AT278 in combination with an AID system, which is a major achievement for Arecor and a significant step towards a successful Phase 2 study. Full details HERE.

Arecor's strategic priority has been to pursue high-value R&D opportunities that have the potential to generate significant value for shareholders. Near term, management believed that to achieve the best future value for AT278, the Company needed to partner with an insulin pump innovator to co-develop AT278 in a next generation AID system. Therefore, post the period end in September 2025, Arecor was pleased to sign a co-development agreement with Sequel Med Tech LLC ("Sequel"), a US insulin pump device company developing state-of-the-art insulin delivery technologies, to combine AT278 (500U/mL) with Sequel's twiist™ AID system.

Under the terms of this Agreement both companies have committed up to $1.3m each to accelerate and fund all Phase 2 trial enabling development work. Full details of the agreement are in today's announcement HERE.

The development work has commenced and is expected to be completed during 1H 2026, culminating in the filing of an IND (Investigational New Drug) application. If approved, the programme would be ready to enter a pivotal Phase 2 clinical study during 2H 2026.

Longer term, both companies have confirmed their strategic intent to enter into a broader, co-development and commercialisation partnership, to further develop and commercialise AT278 in a next-generational AID system, serving a key unmet patient need in a high value market.

### Oral Delivery of Peptides

The second pillar of Arecor's strategy is to develop a platform for the oral delivery of peptides, an increasingly important class of therapeutics in the treatment of acute and chronic conditions. The global peptide therapeutics market is projected to reach more than $100 billion by 2034 growing at a CAGR of 10.8%[1], driven

[1] Future Market Insights: Global Peptide Therapeutics Market to Skyrocket: Estimated

by peptide therapeutics' strong efficacy and selectivity, the rise of endocrine and metabolic diseases, and technological advancements in the field.

A class of peptides called GLP-1 receptor agonists have become especially well known in the treatment of diabetes and obesity, but at present the majority of these drugs are available only as injectables. There is significant interest from the pharmaceutical industry to find the next generation of these GLP-1 therapeutics in oral form. This would not only lower the cost of development for the pharma companies but more importantly, would improve patient accessibility, compliance and overall outcomes.

Arecor has deep expertise in peptide chemistry and the formulation and product development know-how to create a novel proprietary technology platform for the oral delivery of peptides. The first programme is the development of an oral GLP-1 receptor agonist with improved bioavailability compared to the only current marketed oral GLP-1 product, Rybelsus®, whose bioavailability is very low, at less than 1%.

During 1H 2025, progress has continued. Promising *in vitro* data has already been generated and a series of *in vivo* studies are now underway looking at pharmacokinetic data which will inform the best route to improve bioavailability. Data will be available during 2H 2025, which will define the next steps in its development.

If oral bioavailability can be enhanced, it would clearly be of significant interest and value to potential partners, not only evidenced from recent M&A activity where substantial multiples have been paid for relatively early-stage programmes, but also from the Company's active engagement with leading pharmaceutical companies. Arecor has also appointed a Scientific Advisory Board of internationally recognised experts in the fields of oral drug delivery and peptide therapeutics, specifically to support its oral peptide strategy.

**Partnership revenues**

A robust portfolio of revenue-generating partnered programmes underscores the strength of Arecor's Arestat® technology platform and its value to partners in the development of enhanced formulations of their proprietary products.

Arecor signed three further Arestat® formulation development collaborations with a total pre-license revenue of over £1 million. In March 2025, the Company announced the first two new formulation development collaborations: one with an unnamed clinical-stage biopharmaceutical company developing peptide therapies, the other with a major global pharmaceutical partner.

These were followed in May 2025 by the announcement of a formulation development collaboration with Skye Bioscience [Nasdaq: SKYE], a clinical-stage biotechnology company focused on obesity and other metabolic health disorders. The partnership aims to develop a novel, higher concentration formulation of Skye's CB1 inhibitor, nimacimab, using Arecor's proprietary formulation technology platform, Arestat®. Together these three collaborations provide significant upside potential from future licensing opportunities.

**Royalty Financing Agreement**

The Board's ongoing strategy is to ensure sufficient working capital and a strong balance sheet to accelerate R&D and achieving transformational value events including partnering. The Board has therefore sought sources of non-dilutive funding. As detailed in the separate announcement today (see HERE), Arecor has sold the global royalty rights related to AT220, an Arestat®-enhanced biosimilar product marketed by a global pharmaceutical company, and all potential milestone and technology access fees related to AT292 (licensed to Inhibrx, now Sanofi's Efdoralprin alfa) (the "Royalty Financing Agreement") to Ligand.

Total consideration from the deal is up to $11.0 million (c.£8.2 million) which comprises a $7.0 million upfront cash payment and an additional $4.0 million payable upon achievement of certain commercial milestones related to AT220 and AT292, of which $1.0 million is expected to be received during 2026. This funding immediately supports the acceleration of the AT278-AID system co-development partnership programme and strengthens the balance sheet.

**Intellectual property portfolio**

A robust intellectual property portfolio is key to Arecor's strategy. The Company has a comprehensive global patent portfolio of >100 granted patents across major territories protecting both the Arestat® technology platform as well as the enhanced versions of therapeutic medicines developed leveraging Arestat®. During the first half of 2025, the portfolio was bolstered with the addition of seven patents granted in US, Europe, Canada and South Korea, including patents that strengthen the protection of Arecor's proprietary diabetes portfolio.

**Tetris Pharma**

In January 2025, Arecor announced that it would be managing the orderly cessation of activities at Tetris Pharma and the return of Ogluo® rights to Xeris BioPharma Holdings Inc (Nasdaq: XERS). In May 2025, rights to certain non-Ogluo® products were sold to Aspire Pharma Limited for a cash payment of £0.5 million in return for the UK distribution rights to the products and the transfer of the existing inventory.

As previously indicated, it is expected that Tetris Pharma will generate a positive cashflow in 2025, and that the Selling, General and Administrative expenses will significantly decrease during 2025 compared to 2024. Tetris will cease sales of Ogluo by 30 September 2025, at which stage the Marketing Authorisation will be returned to Xeris.

**Board and Scientific Advisory Board**

In June 2025, Dr Alan Smith, who served as a Non-Executive Director of Arecor for more than 17 years, retired from the Board. Throughout his time at Arecor, Dr Smith provided invaluable scientific and strategic guidance as the Company has evolved from its early stages to a clinical-stage company, and the Board is grateful for his long service and dedication.

Post period-end, in July 2025, Arecor formed a new Scientific Advisory Board of internationally recognised experts in the fields of oral drug delivery and peptide therapeutics. Members include David Brayden, PhD, a Full Professor of Advanced Drug Delivery at the School of Veterinary Medicine, University College Dublin (UCD), a Senior Fellow of the UCD Conway Institute, Randy Mrsny, PhD, Professor of Drug Delivery at the University of Bath, and Christopher Porter, PhD, Director of the Monash Institute of Pharmaceutical Sciences (MIPS) at Monash University. These specialist advisors will provide key technical and strategic guidance as Arecor tackles the challenge of achieving effective oral delivery of peptides, with the goal of unlocking the potential of oral delivery for this increasingly important class of therapeutics.

**Financials**

The consolidated financial results for the six months ended 30 June 2025 reflect the performance of Arecor Therapeutics plc and its trading subsidiaries: Arecor Limited and Tetris Pharma Ltd.

Total revenue for the six months to 30 June 2025 was £2.0 million (1H 2024: £2.0 million). Partner revenue increased by £0.4 million to £1.0 million (1H 2024: £0.6 million) and product revenue decreased by £0.4 million to £1.0 million (1H 2024: £1.4 million) as Tetris activities have slowed.

Other operating income for the period was £0.1 million (1H 2024: £0.04 million) being income of £0.1 million under the R&D Expenditure Scheme "RDEC."

Investment in R&D was £1.3 million (1H 2024 restated: £1.7 million), reflecting a reduced R&D spend on clinical development in our proprietary diabetes portfolio.

Sales, General and Administrative costs were £2.1 million (1H 2024 restated: £3.4 million), the decrease reflecting the cessation of activities at Tetris Pharma during 2025.

Gain on disposal of non-Ogluo Tetris Pharma products of £0.4 million.

The total loss after tax for the six-month period was £2.5 million (1H 2024: loss £4.6 million).

The Group ended 1H 2025 with cash, cash equivalents and short-term investments of £1.9 million (1H 2024: £2.5 million).

Post period-end, the Company will receive a royalty monetisation upfront of $7 million (£5.2 million) from Ligand, extending the cash runway into 1H 2027.

As part of the transaction, Ligand will also receive warrants over 1,002,739 ordinary shares of 1 pence each in the Company ("Ordinary Shares") which will be fully paid and will rank pari passu in all respects with the existing Ordinary Shares of the Company. The exercise price for the warrants will be 67.39 pence, being the 30-day volume-weighted average price at the date of the agreement. The warrants are exercisable over 10 years.

**Summary and outlook**

At the start of 2025, the Board set a clear strategic direction for Arecor to focus on the opportunities which would present most significant valuation creation. These opportunities included the proprietary diabetes portfolio, focusing on lead clinical programme, AT278, and the oral peptide delivery platform driven by growing market demand for alternatives to injectables. As part of this strategy, the underlying business has been realigned and financial position strengthened. This is being achieved through the orderly cessation of the non-core business, Tetris Pharma, and securing non-dilutive financing, through monetising future milestones and royalties of two of the Company's Arestat® license partnerships.

2H 2025 has begun with great optimism, driven firstly by the positive FDA feedback for AT278 and then by the signing of a Phase 2-enabling co-development agreement for AT278 with Sequel, showing strategic intent to enter into a wider co-development deal for the full Phase 2 study and beyond. The royalty financing agreement with Ligand not only funds Arecor's portion of the co-development deal, but also strengthens the balance sheet with a cash runway into 1H 2027, providing a better financial position for future potential partnering discussions.

**Dr Sarah Howell**
Chief Executive Officer

**Consolidated income statement**
**For the six-month period to 30 June 2025**

| | *Notes* | **Period ended 30 June 2025** | Period ended 30 June 2024 (Re-stated) | Year ended 31 December 2024 |
|---|---|---|---|---|
| | | **Unaudited** | Unaudited | Audited |
| | | **£000** | £000 | £000 |
| **Revenue** | 6 | **2,003** | 1,995 | 5,053 |
| Cost of Sales | | **(1,675)** | (1,727) | (3,510) |
| **Gross Profit** | | **328** | 268 | 1,543 |
| Other operating income | | **93** | 39 | 267 |
| Research and Development expenses | | **(1,279)** | (1,725) | (3,041) |
| Sales, General & Administrative expenses[2] | 5 | **(2,112)** | (3,416) | (9,466) |
| **Operating loss** | | **(2,970)** | (4,834) | (10,697) |
| Gain on disposal[3] | 5 | **409** | - | - |
| Finance income | | **27** | 55 | 101 |
| Finance expense | | **(8)** | (12) | (22) |
| **Loss before tax** | | **(2,542)** | (4,791) | (10,618) |
| Taxation credit | | **34** | 151 | 382 |
| **Loss for the period** | | **(2,508)** | (4,640) | (10,236) |
| Basic and diluted loss per share (£) | 8 | **(0.07)** | (0.15) | (0.31) |

[2] Included within Sales, General & Administrative expenses are exceptional items to the sum of £0 (1H 2024: £0, YE24: £(3,288)k), see note 5 for further details.
[3] Included within Gain on disposal are exceptional items to the sum of £399k (1H 2024: £0, YE24: £0), see note 5 for further details.

**Arecor Therapeutics plc**

## Consolidated statement of financial position
## At 30 June 2025

| | *Notes* | **30 June 2025** | 30 June 2024 | 31 December 2024 |
|---|---|---|---|---|
| | | **Unaudited** | Unaudited | Audited |
| | | **£000** | £000 | £000 |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Intangible Assets | | **24** | 1,743 | 33 |
| Goodwill | | **-** | 1,484 | - |
| Property, Plant and Equipment | | **396** | 694 | 400 |
| Other receivables | | **58** | 69 | 55 |
| **Total non-current assets** | | **478** | 3,990 | 488 |
| **Current assets** | | | | |
| Trade and other receivables | | **2,372** | 2,753 | 3,845 |
| Current tax receivable | | **402** | 632 | 654 |
| Cash and cash equivalents | | **1,867** | 2,529 | 3,239 |
| Short term investments | | **19** | 16 | 18 |
| Inventory | | **112** | 446 | 478 |
| **Total current assets** | | **4,772** | 6,376 | 8,234 |
| **Current liabilities** | | | | |
| Trade and other payables | | **(2,169)** | (4,551) | (3,069) |
| Lease liabilities | | **(114)** | (111) | (121) |
| Provisions | | **(43)** | (1) | (66) |
| **Total current liabilities** | | **(2,326)** | (4,663) | (3,256) |
| **Non-current liabilities** | | | | |
| Lease liabilities | | **(59)** | (169) | (111) |
| Provisions | | **(9)** | (19) | (6) |
| Deferred tax | | **-** | (437) | - |
| **Total non-current liabilities** | | **(68)** | (625) | (117) |
| **Net Assets** | | **2,856** | 5,078 | 5,349 |
| **Equity attributable to equity holders of the Group** | | | | |
| Share capital | 9 | **378** | 306 | 378 |
| Share premium account | | **34,684** | 28,976 | 34,684 |
| Share-based payment reserve | | **1,816** | 1,638 | 1,676 |
| Other reserves | | **11,455** | 11,455 | 11,455 |
| Merger relief reserve | | **2,014** | 2,014 | 2,014 |
| Foreign exchange reserve | | **(25)** | 51 | 100 |
| Retained losses | | **(47,466)** | (39,362) | (44,958) |
| **Equity attributable to equity holders of the Group** | | **2,856** | 5,078 | 5,349 |

## Arecor Therapeutics plc

## Consolidated statement of changes in equity
## For the six-month period to 30 June 2025

| | Share capital £000 | Share premium £000 | Other reserves £000 | Merger relief reserve £000 | Share-based payment reserve £000 | Foreign exchange reserve £000 | Retained losses £000 | Total equity £000 |
|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2024 | 306 | 28,976 | 11,455 | 2,014 | 1,518 | (20) | (34,722) | 9,527 |
| Loss for the period | - | - | - | - | - | - | (4,640) | (4,640) |
| Foreign exchange movements | - | - | - | - | - | 71 | - | 71 |
| Transactions with owners: | | | | | | | | |
| Share-based compensation | - | - | - | - | 120 | - | - | 120 |
| Total transactions with owners | - | - | - | - | 120 | - | - | 120 |
| **Balance at 30 June 2024 (Unaudited)** | **306** | **28,976** | **11,455** | **2,014** | **1,638** | **51** | **(39,362)** | **5,078** |
| For the period ended 31 December 2024 | | | | | | | | |
| Balance at 1 July 2024 | 306 | 28,976 | 11,455 | 2,014 | 1,638 | 51 | (39,362) | 5,078 |
| Loss for the period | - | - | - | - | - | - | (5,596) | (5,596) |
| Foreign exchange movements | - | - | - | - | - | 49 | - | 49 |
| Transactions with owners | | | | | | | | |
| Share-based compensation | - | - | - | - | 38 | - | - | 38 |
| Issue of shares | 72 | 6,345 | - | - | - | - | - | 6,417 |
| Share issue expenses | - | (637) | - | - | - | - | - | (637) |
| Total transactions with owners | 72 | 5,708 | - | - | 38 | - | - | 5,818 |
| **Balance at 31 December 2024 (audited)** | **378** | **34,684** | **11,455** | **2,014** | **1,676** | **100** | **(44,958)** | **5,349** |

## Arecor Therapeutics plc

## Consolidated statement of changes in equity (continued)
## For the six-month period to 30 June 2025

| | Share capital £000 | Share premium £000 | Other reserves £000 | Merger relief reserve £000 | Share-based payment reserve £000 | Foreign exchange reserve £000 | Retained losses £000 | Total equity £000 |
|---|---|---|---|---|---|---|---|---|
| For the period ended 30 June 2025 | | | | | | | | |
| Balance at 1 January 2025 | 378 | 34,684 | 11,455 | 2,014 | 1,676 | 100 | (44,958) | 5,349 |
| Loss for the period | - | - | - | - | - | - | (2,508) | (2,508) |
| Foreign Exchange movements | - | - | - | - | - | (124) | - | (124) |
| Transactions with owners: | | | | | | | | |
| Share-based compensation | - | - | - | - | 140 | - | - | 140 |
| Total transactions with owners | - | - | - | - | 140 | - | - | 140 |
| **Balance at 30 June 2025 (unaudited)** | **378** | **34,684** | **11,455** | **2,014** | **1,816** | **(24)** | **(47,466)** | **2,856** |

## Arecor Therapeutics plc

## Consolidated statement of cash flows
## For the six-month period to 30 June 2025

| | **Period ended 30 June 2025 Unaudited £000** | Period ended 30 June 2024 Unaudited £000 | Year ended 31 December 2024 Audited £000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Loss before tax | **(2,542)** | (4,791) | (10,618) |
| Finance income | **(27)** | (55) | (101) |
| Finance costs | **8** | 12 | 22 |
| Gain on disposal | **(409)** | - | - |
| Share-based compensation | **140** | 120 | 158 |
| Depreciation | **104** | 157 | 307 |
| Amortisation | **9** | 69 | 139 |
| Impairment of property, plant, and equipment | **-** | - | 163 |
| Impairment of intangible assets | **-** | - | 3,125 |
| | **(2,717)** | (4,488) | (6,805) |
| **Changes in working capital** | | | |
| Decrease in inventory | **366** | 325 | 293 |
| (Increase) / decrease in trade and other receivables | **1,470** | 444 | (634) |
| (Decrease) in trade and other payables | **(900)** | (352) | (1,834) |
| (Decrease) in provisions | **(20)** | (137) | (85) |
| (Increase) / decrease in tax receivable | **252** | - | (197) |
| | **1,168** | 280 | (2,457) |
| Tax Received | **104** | - | - |
| RDEC Cash Received | **275** | - | - |
| **Net cash used in operating activities** | **(1,170)** | (4,208) | (9,262) |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant & equipment | **(98)** | (15) | (23) |
| Disposal proceeds | **110** | - | - |
| Movement in short-term investments | **(1)** | 1,643 | 1,641 |
| Interest received | **27** | 55 | 101 |
| **Net cash generated from investing activities** | **38** | 1,683 | 1,719 |
| **Cash flow from financing activities** | | | |
| Issue of ordinary shares | **-** | - | 6,417 |
| Share issue costs | **-** | - | (637) |
| Repayment of loans by Directors | **-** | 10 | 9 |
| Capital payments on lease liabilities | **(60)** | (63) | (119) |
| Interest paid on lease liabilities | **(8)** | (12) | (22) |
| **Net cash (used in) / generated by financing activities** | **(68)** | (65) | 5,648 |
| Net (decrease) / increase in cash and cash equivalents | **(1,200)** | (2,590) | (1,895) |
| Exchange (losses) / gains on cash and cash equivalents | **(172)** | 26 | 41 |
| Cash and cash equivalents at beginning of period or financial year | **3,239** | 5,093 | 5,093 |
| **Cash and cash equivalents at end of period or financial year** | **1,867** | 2,529 | 3,239 |

**Arecor Therapeutics plc**

**Notes to the Interim Financial Statements**
**For the six-month period to 30 June 2025**

## 1. BASIS OF PREPARATION

The financial statements for the period ended 30 June 2025 incorporate the results of Arecor Therapeutics plc ("Arecor" or the "Company") and its trading subsidiaries. The consolidated interim financial statements for the period to 30 June 2025 are unaudited and were approved by the board of directors on 24 September 2025.

The consolidated interim financial statements have been prepared in accordance with the AIM rules for Companies and should be read in conjunction with the Group's Annual Report for the Year ended 31 December 2024. The financial information has been prepared in accordance with the IFRS standards.

The financial information contained in these interim financial statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. These interim financial statements do not include all the information and disclosures required in the annual financial statements. The financial information for the six months ended 30 June 2025 and 30 June 2024 is unaudited.

Financial statements for year ended 31 December 2024 have been filed with the Registrar of Companies for Arecor Therapeutics plc (Company registration number 13331147). The audit report for this period, previously filed, was unmodified.

## 2. PRINCIPAL ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the accounting policies set out in the audited financial statements for the period ended 31 December 2024. New standards, amendments and interpretations to UK adopted IAS applicable from 1 January 2025 are not expected to have a material impact on the financial statements.

### a) Going Concern

Following a successful monetisation event post period, the Group's cash runway has been extended beyond 12 months from the date of approval of these unaudited interim financial statements.

The Directors have reviewed the Group's current cash and short-term investments, along with forecast receivables, to support planned operating expenditure and investment in research and development. The review also considered downside sensitivity scenarios, including the impact of reduced receivables and the implementation of mitigating actions.

Based on this analysis, the Directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing these unaudited interim financial statements.

## 3. CHANGE IN ACCOUNTING POLICY AS RESTATEMENT OF PRIOR YEAR INTERIM COMPARATIVE

Per IAS1, the Income Statement can be presented using either the 'nature of expense' method or the 'function of expense' method. These consolidated financial statements use the 'function of expense' method: however, this requires the separation of cost of sales from other expenses within the Income Statement. This separation was not shown in the prior period interim financial statements and therefore the restatement of the prior year comparatives is a material prior-period error.

The restated Income Statement for the period ended June 2024 discloses a cost of sales of £1,727k (prior: £nil). The sales, general and administrative expenses line is restated to £3,416k (prior: £4,781k) and the research and development expenses line is restated to £1,725k (prior: £2,087k). There was no impact to the loss before tax or the loss after tax, and no impact to the balance sheet brought forward.

Cost of sales includes all costs directly attributable to the sale of products (purchased finished goods, raw materials, packaging, and freight). They also include staff costs directly attributable to partnered formulation development revenue.

## 4. CESSATION OF OPERATIONS OF SUBSIDIARY

Following a strategic review of Tetris Pharma, the Group's management announced on 10 January 2025 its intention to cease operations within its subsidiary Tetris Pharma. This decision was taken in conjunction with a mutual agreement with Xeris BioPharma Holdings, Inc. to return the Group's rights to Ogluo® as part of the Group's strategic focus on those areas which best leverage its platform and resources to deliver transformational value opportunities.

Tetris Pharma continued to trade during the half-year period ended 30 June 2025; however, operations are expected to cease in full before the financial year ending 31 December 2025. The wind-down process includes the planned closure of operational activities, fulfilment of contractual obligations, and decommissioning of infrastructure. The Group expects to incur certain closure-related costs in the second half of the year as part of the wind-down process, which will be recognised as incurred.

As at 30 June 2025, the subsidiary remains fully consolidated in the Group's financial statements.

The Group expects to present the results of Tetris Pharma as a discontinued operation in the consolidated financial statements for the year ending 31 December 2025, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, subject to the completion of the wind-down process and final assessment of the relevant criteria.

## 5. EXCEPTIONAL ITEM

During 1H 2025, the Group sold a previously impaired intangible asset, a revenue-generating licence held by Tetris Pharma Limited, for proceeds of £399k.

At 31 December 2024, the licence was fully impaired to nil in accordance with IAS 36 – Impairment of Assets, reflecting its recoverable amount at that date.

The gain on disposal, calculated as proceeds less carrying value, is recognised in the interim income statement and presented in the footnotes as an exceptional item due to its non-recurring and unusual nature relative to the Group's ongoing operations.

## 6. REVENUE AND OPERATING SEGMENTS

The geographic analysis of the Group's revenue is as follows:

| | **Period ended 30 June 2025 £000** | Period ended 30 June 2024 £000 | Year ended 31 December 2024 £000 |
|---|---|---|---|
| UK | **895** | 1,267 | 2,884 |
| Switzerland | **555** | 203 | 618 |
| Germany | **169** | 95 | 598 |
| Norway | **13** | - | - |
| USA | **241** | 185 | 466 |
| Denmark | **130** | - | - |
| Netherlands | **-** | 191 | 433 |
| Italy | **-** | 54 | 54 |
| | **2,003** | 1,995 | 5,053 |

The geographic analysis of the Group's non-current assets is as follows:

| | **Period ended 30 June 2025 £000** | Period ended 30 June 2024 £000 | Year ended 31 December 2024 £000 |
|---|---|---|---|
| UK | **478** | 3,868 | 488 |
| Netherlands | **-** | 122 | - |
| | **478** | 3,990 | 488 |

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. Information reported includes revenue by project, expenditure by type and department, cashflows and EBITDA for the Group.

The Board of Directors has been identified as the chief operating decision makers, who are responsible for allocating resources, assessing the performance of the operating segment, and making strategic decisions. Accordingly, the Directors consider there to be a single operating segment.

| | **Period ended 30 June 2025 £000** | Period ended 30 June 2024 £000 | Year ended 31 December 2024 £000 |
|---|---|---|---|
| Sale of Pharmaceuticals | **985** | 1,409 | 3,410 |
| Revenue recognised from contracts with partners - at a point in time | **-** | - | 125 |
| Revenue recognised from contracts with partners - over time | **1,018** | 586 | 1,518 |
| **Total revenue** | **2,003** | 1,995 | 5,053 |

Pharmaceutical sales are limited to a small number of pre-wholesalers in each territory who then sell on to a larger number of wholesalers. With respect to partner revenue, three customers each contributed more than 10% of the partnership revenues respectively £555,521 (55%), £130,333 (13%) and £124,083 (12%) (1H 2024: £202,466 (35%), £116,133 (20%) and £91,416 (16%).

## 7. SHARE BASED COMPENSATION

The Company operates an All-Employee Share Option Plan (AESOP), and grants share options to eligible employees. The options vest over time.

The Company's Long Term Incentive Plan (LTIP) is principally used to grant options to Executive directors and senior management. The LTIP options vest after three years subject to meeting performance criteria as defined in the option agreement. These can be a combination of both operational objectives and share price performance compared to a benchmark. These performance conditions are approved by the Board on each occasion prior to the grant of the options. Ordinary shares acquired on exercise of the LTIP options are subject to a holding period of a minimum of one year from the date of vesting.

The movement in share options in the period was as follows:

| | **Number of Options** |
|---|---|
| **Balance at 1 January 2024** | **1,658,333** |
| AESOP options granted | 382,250 |
| LTIP options granted | 540,000 |
| AESOP options exercised | - |
| Options lapsed | (165,333) |
| **Balance at 30 June 2024** | **2,415,250** |
| AESOP options granted | **-** |
| LTIP options granted | 280,000 |
| AESOP options exercised | - |
| Options lapsed | (423,250) |
| **Balance at 31 December 2024** | **2,272,000** |
| AESOP options granted | 279,600 |
| LTIP options granted | 485,000 |
| AESOP options exercised | (84,000) |
| Options lapsed | (160,000) |
| **Balance at 30 June 2025** | **2,792,600** |

| **Shared Based Payment charges to the Consolidated income statement** | **£000** |
|---|---|
| **Period to June 2025** | **140** |
| Period to June 2024 | 120 |
| Year to December 2024 | 158 |

## 8. EARNINGS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Given the Company's reported loss for the periods and financial year, share options were not taken into account when determining the weighted average number of ordinary shares in issue during the year as they would be anti-dilutive, and therefore the basic and diluted loss per share are the same.

| | **30 June 2025** | 30 June 2024 | 31 December 2024 |
|---|---|---|---|
| | **£** | £ | £ |
| Loss per share from continuing operations | **(0.07)** | (0.15) | (0.31) |

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

| | **30 June 2025 £000** | 30 June 2024 £000 | 31 December 2024 £000 |
|---|---|---|---|
| Loss used in the calculation of total basic and diluted loss per share | **(2,508)** | (4,640) | (10,236) |

| **Number of shares** | **30 June 2025 Number** | 30 June 2024 Number | 31 December 2024 Number |
|---|---|---|---|
| Weighted average number of ordinary shares for the purposes of basic and diluted loss per share | **37,756,601** | 30,626,986 | 33,439,766 |

## 9. EQUITY

**Share Capital**

| | **At 30 June 2025 Number** | At 30 June 2024 Number | At 31 December 2024 Number |
|---|---|---|---|
| **Allotted, called up and fully paid** | | | |
| Ordinary shares of £0.01 | **37,756,601** | 30,626,986 | 37,756,601 |
| **Total share capital** | **37,756,601** | 30,626,986 | 37,756,601 |

| | **At 30 June 2025 £'000** | At 30 June 2024 £'000 | At 31 December 2024 £'000 |
|---|---|---|---|
| **Allotted, called up and fully paid** | | | |
| Ordinary shares of £0.01 | **378** | 306 | 378 |
| **Total share capital** | **378** | 306 | 378 |

## 10. EVENTS AFTER THE BALANCE SHEET DATE

On 25th September 2025, the Company announced that it had signed a co-development agreement with Sequel Med Tech, LLC ("Sequel"), a company developing state-of-the-art insulin delivery technologies, to combine AT278 (500U/mL) with Sequel's twiist™ AID system. Under the terms of the agreement, Arecor and Sequel will co-fund all trial-enabling development activities for the AT278-AID system development programme to achieve Phase 2 trial-ready status. Each company will commit up to $1.3 million to accelerate and fund all Phase 2 clinical trial-enabling development work.

On 25th September 2025, the Company announced that it had signed a royalty financing agreement with Ligand Pharmaceuticals Inc. (NASDAQ: LGND) ("Ligand") which will raise non-dilutive capital of up to $11 million (£8.2 million). This includes a $7.0 million upfront cash payment and an additional $4.0. million, which will be payable upon achievement of certain commercial milestones related to AT220 and AT292, of which $1.0 million is expected to be received during 2026.

As part of the transaction, Ligand will receive warrants over 1,002,739 ordinary shares of 1 pence each in the Company ("Ordinary Shares") which will be fully paid and will rank pari passu in all respects with the existing Ordinary Shares of the Company. The exercise price for the warrants will be 67.39 pence, being the 30-day volume-weighted average price at the date of the agreement. The warrants are exercisable over 10 years.