Arecor

Advancing today's therapies to enable healthier lives

March 2023

www.arecor.com

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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
- Sales, marketing platform for selected commercial products through Tetris Pharma acquisition

Vision to build a significant self-sustaining biopharmaceutical company

Arestat™ technology

Enables conversion of sub-optimal products to superior product formats to improve patient outcomes

Enhanced therapeutic kinetics leading to improved clinical and patient outcomes, e.g. ultra-rapid insulin

Heat stable products, allowing distribution and use outside the cold chain

Re-formulation of dry powders into Ready- to-Administer hospital products, improving safety, speed and convenience

Self-administered injectable products, increasing convenience and compliance

Application of the Arestat™ technology results in significant improvement in safety and convenience of a wide range of therapeutics

Broad and robust IP portfolio

>75 granted patents

$269B[1]

biologicals target market

1. 2019 sales from Biologics Global Market Opportunities and Strategies to 2030: COVID-19 Impact and Recovery", https://www.prnewswire.com/news-releases/global-biologics-market-opportunities-and-strategies-report-2020-covid-19-impact-and-recovery---forecast-to-2023-2025--2030-301223015.html accessed 26th Feb 2021

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

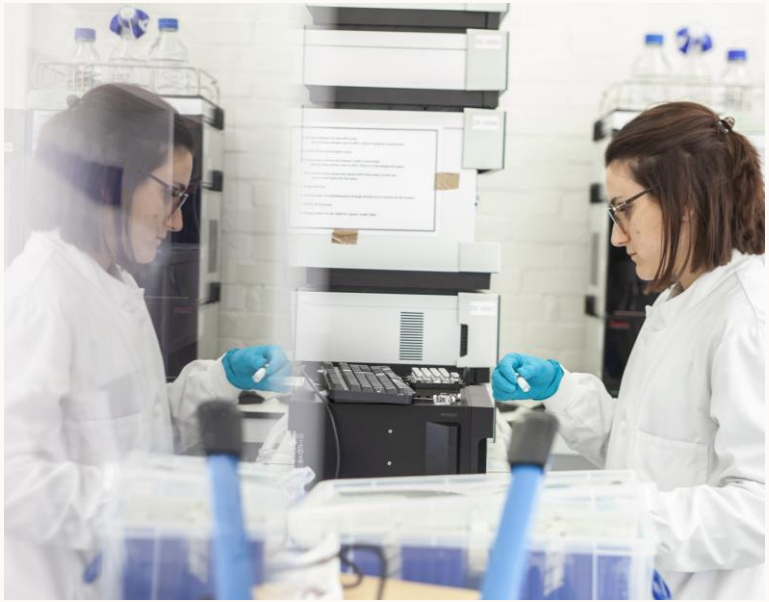
	Product	Area	Research	Preclinical	Phase 1	Phase 2	Phase 3	Est launch[1]	Current Market size
Arecor in-house	**AT247 & AT278**	Diabetes						2025	~$6.4B[2]
	AT299	Diabetes						2028	
	Specialty Hospital	RTA/RTU			Limited or no clinical development required under 505(b)(2) regulatory pathway[4]			2025+	$250m-1B[3]
Partnered Programmes	**AT307 Specialty Hospital**	RTU undisclosed product hikma.			Limited or no clinical development required under 505(b)(2) regulatory pathway[4]			2025/6	>$300m[5]+
	Ogluo®	RTU Glucagon Pen xeris BIOPHARMA						Launched UK, DE, AT	~£100m
	Niche Specialty Hospital (9 licenses)	UK sales & distribution rights						Launched UK	Undisclosed
	AT220	Undisclosed Biosimilar & Partner	Late Stage Development					2023	$Multi-billion
	AT292 (INBRX-101)	Alpha-1 antitrypsin deficiency INHIBRX						2025/6	$3B[7]
	Technology Partnerships	Formulation development Lilly PAR PHARMACEUTICAL INTAS PHARMACEUTICALS							

1. 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. Range of currently marketed products, source company annual 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 Inhibrx Corporate presentation, Oct 2022

Capturing long-term value through partnerships

- Growing portfolio demonstrates potential of Arestat™ for partners

- Provides Arecor with near-term revenue and significant upside potential from existing and future licensing



Recent milestones

- **AT307 transferred to Hikma** in January 2023
- Additional agreement signed with **top five global pharma partner** in February 2023

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

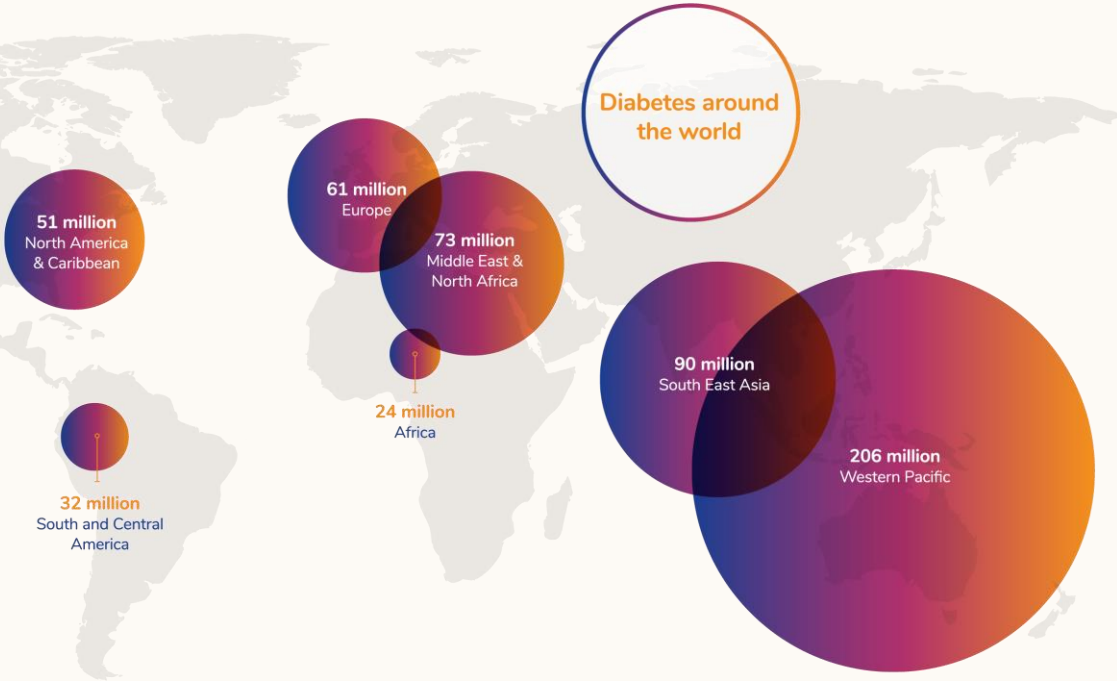
million
adults are living with diabetes

$966

billion
estimated global expenditure

6.7

million
deaths due to diabetes in 2021



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

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

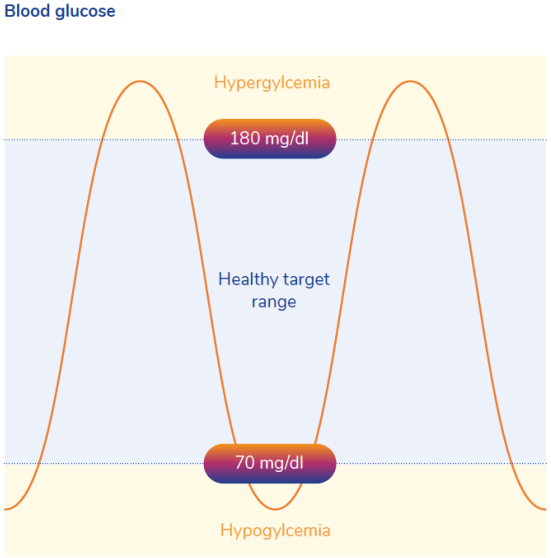
AT247, an ultra-rapid acting insulin with potential to enable fully automated artificial pancreas for Type I diabetics

AT278 'disruptor insulin' the first concentrated ultra-rapid acting insulin for treatment of Type 2 diabetes

Fastest acting meal-time insulins to improve patient outcomes

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 - **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. Meal-time 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

An ultra-rapid acting insulin candidate

AT247 Potential to enable transformational fully closed loop artificial pancreas

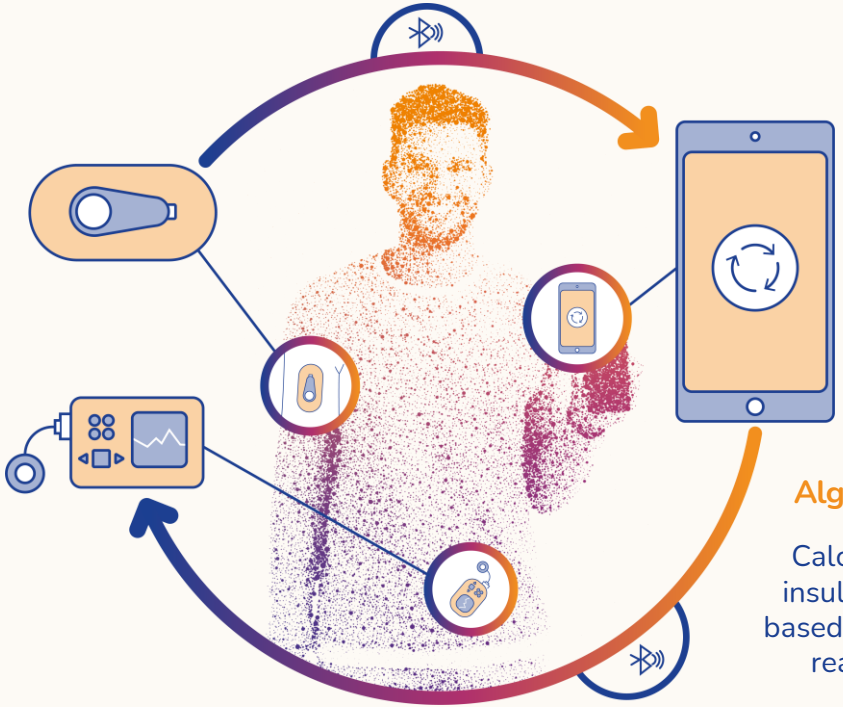
Improve quality and life and outcomes for Type 1 diabetic patients

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

AT247 best-in-class PK/PD demonstrated in Phase I clinical study

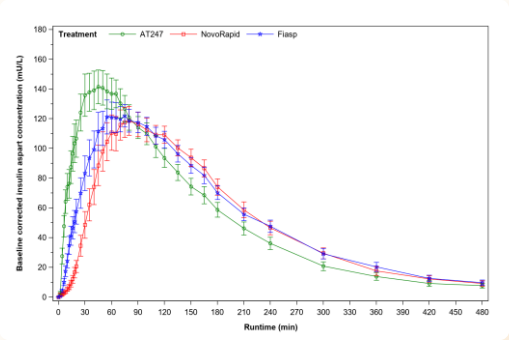
- AP 'holy grail' for people living with Type 1 diabetes
- Improve TIR and outcomes for ~5.8 million T1D across US and EU
- Significant reduction in burden and improve quality of life for patients
- Target market share in existing $6.4 billion meal-time insulin segment

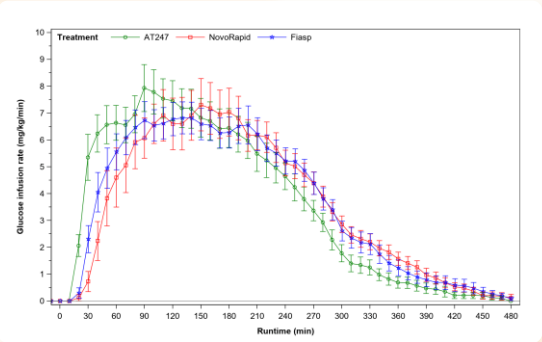
[1]For every absolute 10% change in TIR, there is a 0.8% change in HbA1c (Vigersky et al, 2019)

Successful completion of two clinical trials investigating potential of AT247

Support AT247 potential to enable fully closed loop artificial pancreas for people with Type 1 diabetes

First in human, single-dose Phase I trial (2020)





Three-day insulin pump Phase I trial (2022)

- Demonstrated a significantly **accelerated insulin absorption and early exposure** (PK profile) compared with NovoLog® and Fiasp®
- Statistically significant **superior glucose lowering effect (PD) compared with NovoLog®**
- **Similar PD profile to Fiasp®**

AT278

An ultra-concentrated, ultra-rapid acting insulin candidate

AT278 500 U/mL: Creating a disruptor insulin

Potential to be the first concentrated ultra-rapid insulin product available to patients

The Need

- Growing number of Type 2 diabetics requiring high daily doses of insulin (>100U/day)
  - ~35% US T2D's on insulin require 100U/day; ~18% T1D's
- 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 miniaturized 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 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 T2D's to insulin pump therapy

Potential to provide superior blood glucose control and health outcomes for insulin resistant patients

Why switch to an ultra-concentrated, ultra-rapid acting insulin?

Currently no rapid acting insulin (RAI) on the market with a concentration >200U/mL

Concentrated insulins growth market (~$800m-$1bn existing market)

- Concentrated insulin **reduces injection volumes** and potentially **fewer injections/day**
- Only existing 500U/mL insulin, **intermediate acting**, **compromising on glycemic control**
- **AT278**; maintain reduced injection volume, **PLUS no compromise on glycemic control** due to URI profile
- Growth market; number of scripts in the US 2019-2021; U500 CAGR 8.3%, U200 CAGR 10.3%

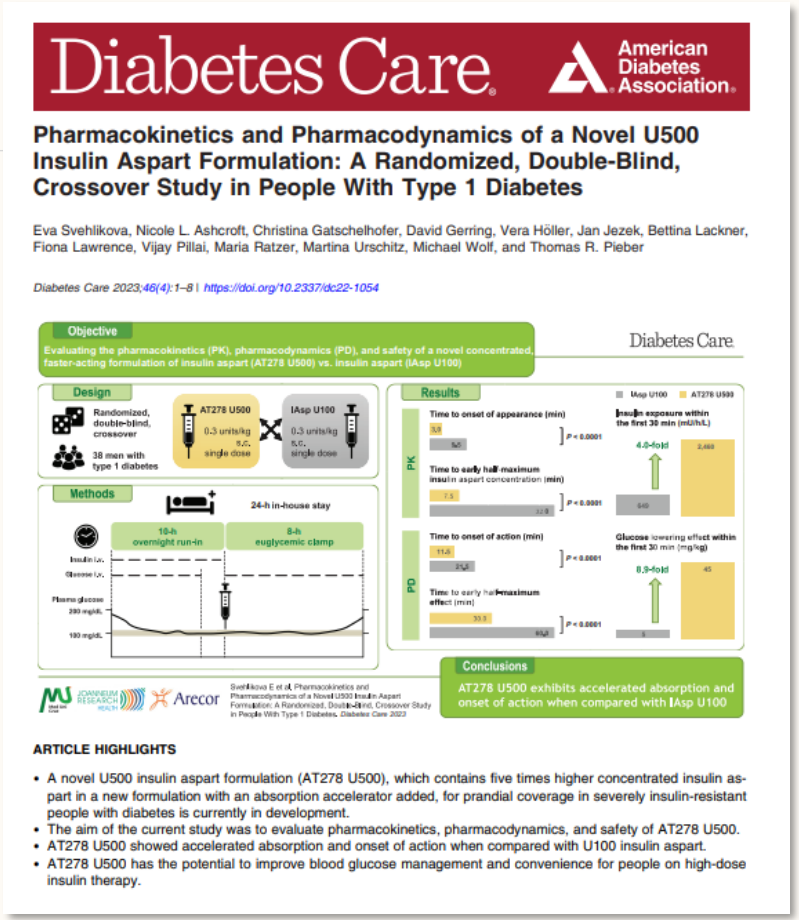
Existing RAI/URI (~$5.4B market)

- RAI and URI only available up to 200U/mL
- **AT278**
    - Ultra-rapid acting insulin = gold standard glycemic control
    - Concentrated = reduced injection volume, potentially fewer injections per day
- **AT278 for insulin pump users**: Enable true miniaturization of insulin pumps + enough insulin 'on-board' to support 7-day wear; **can only be enabled with a concentrated RAI**

Positive results from first Phase I clinical study

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

- Study **designed to achieve PK/PD equivalence** with a comparable dose of lower concentration NovoRapid®
- AT278 achieved **a superior PK/PD profile** in first 60mins post injection
- **No safety signals** were detected
- Manuscript published in Diabetes Care, **highest-ranked peer-reviewed journal** in the field of diabetes treatment and prevention



Diabetes Care

American Diabetes Association

Pharmacokinetics and Pharmacodynamics of a Novel U500 Insulin Aspart Formulation: A Randomized, Double-Blind, Crossover Study in People With Type 1 Diabetes

Eva Svehlikova, Nicole L. Ashcroft, Christina Gatschelhofer, David Gerring, Vera Höller, Jan Jezek, Bettina Lackner, Fiona Lawrence, Vijay Pillai, Maria Ratzer, Martina Urschitz, Michael Wolf, and Thomas R. Pieber

Diabetes Care 2023;46(4):1–8 | https://doi.org/10.2337/dc22-1054

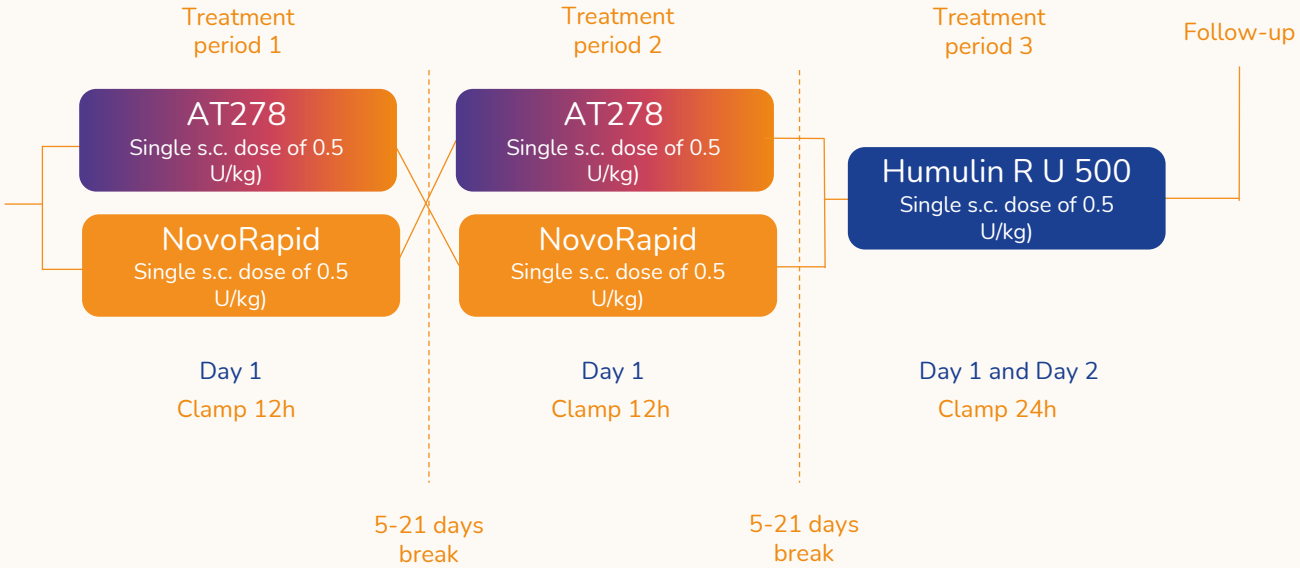
ARTICLE HIGHLIGHTS

- A novel U500 insulin aspart formulation (AT278 U500), which contains five times higher concentrated insulin aspart in a new formulation with an absorption accelerator added, for prandial coverage in severely insulin-resistant people with diabetes is currently in development.
- The aim of the current study was to evaluate pharmacokinetics, pharmacodynamics, and safety of AT278 U500.
- AT278 U500 showed accelerated absorption and onset of action when compared with U100 insulin aspart.
- AT278 U500 has the potential to improve blood glucose management and convenience for people on high-dose insulin therapy.

AT278 Second clinical trial initiated in January 2023

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

- Initiated January 2023 **results expected Q4 23**
- Phase I randomised, double-blind study in 28 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 target population, T2D with BMI between 25 and 45 Kg/m2
- **Designed to demonstrate fast glucose lowering action** (PK/PD profile) for AT278 compared with NovoRapid and Humulin R U 500

04

Newsflow

Significant upcoming milestones to drive growth

Existing licensing and new licensing upside potential

2022

- AT247-103 clinical results
- Initiate AT278-104 T2D clinical study
- Technology partnering growth
- Tetris Pharma integration and commercial execution of Ogluo® opportunity
  - Ogluo launched in UK and Germany

2023

- HIK achieve next license milestone
- **AT278-104 clinical results**
- Significant revenue growth
  - **Royalties from AT220** following expected launch
  - Revenues from sales of Ogluo® -Launched in Austria
- Expansion of portfolio of revenue generating partnership deals

05

Financials

2022 Financial Highlights

Advancing today's therapies to enable healthier lives

Key financials for six months ended 30 June 2022

- Total income of £1.1m (H1 2021: £0.6m)
- Investment in R&D of £4.8m (H1 2021: £1.9m)
- Closing cash of £13.7m (H1 2021: £22.1m)

Post period end

- Acquisition of Tetris Pharma Ltd on 4 August 2022
- Placing of £6m through the issue of 2,000,000 shares at 300p/share

Group closed financial year with an unaudited cash balance of £12.8 million

- Results for the 12 months ended 31 December 2022 to be published on Thursday 20 April 2023

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Thank you

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