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## Arecor steps into pharma limelight with diabetes treatment

Diabetes is clearly an area of unmet medical need.

More than 400mln adults globally currently have the condition, a number set almost to double by the year 2050.

### READ: Arecor fully funded and gearing up to take flagship diabetes drug into clinic

That made it an obvious area to target for proprietary treatments, says Sarah Howell, chief executive of UK biotech Arecor.

The company's first clinical trial, a stage I study of an ultra fast-acting insulin compound AT247, is due to get underway in a matter of weeks.

As well as a potential boon for diabetes sufferers, the trial marks a major step forward for Arecor which, up until this point, had concentrated on the reformulation of its pharma partners' proprietary drugs through its Arestat platform.

Howell decided on the change of tack when she took over as chief executive in 2015, having originally joined as chief operating officer in 2011.

### Drug development experience

The company had built up years of experience of developing products for other pharmas, she says, so it was a logical step to start doing it for themselves.

AT247, an injection designed to speed up the absorption of glucose after eating, is the first tangible result of the new approach.

Diabetics struggle to control blood sugars around meal times says Howell, but AT247, an ultra fast-acting form of prandial insulin, generates a response more like a healthy person.

The study will compare its pharmacokinetic and pharmacodynamic profiles with two current best in class products - Novo Nordisk's Novolog and Fiasp - as well as assess safety and efficacy aspects.

Howell believes the trial will also highlight one of Arecor's key competitive advantages - namely that as it is repurposing products that have already been approved, much of the clinical efficacy and safety risk is known.

### Straight to Phase III

Because of that, the plan for AT247 is to skip a Phase II trial and go straight to Phase III.

A partner will likely be sought for this and Howell is confident Arecor will find one.

"The fact they [the products] are Phase III ready after the end of Phase I makes them fast to market without adding cost.

### Share Information

**Code:** ARECO

**Listing:** Unlisted (UK)

**Sector:** Pharma & Biotech

**Website:** arecor.com

### Company Synopsis:

*Arecor is 'advancing today's therapies to enable healthier lives' by developing a broad portfolio of therapies for its proprietary pipeline and in partnership with leading pharmaceutical and biotech companies.*

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"We can carry out focused clinical studies with small numbers of patients, without the need for initial healthy volunteer studies."

Insulin also attracts a lot of reimbursement (pricing) pressure, which means new products in late-stage development are attractive even to large pharmas.

The fact Arecor already has close relationships with many majors through its reformulation business also gives it a head start down the partnership path.

## **Second wave to follow**

AT247 is in Arecor's "first wave" of products under development.

Clinical trial applications for two other diabetes-focused compounds are expected later this year.

One is a novel ultra-concentrated rapid action insulin and the other an epipen-type delivery system to administer glucagon to people with dangerously low blood sugar levels.

However, Howell's long-term plans for Arecor involve a much broader spread of diseases than just diabetes.

"We've focused on diabetes because of its unmet need and large market but the Arestat platform is completely agnostic to the therapeutic area."

Immuno-oncology, inflammation and blood factors are all on the radar, she says, it's more what type of product is needed.

## **Peptides of interest**

Peptides are especially promising, she says.

"They are a classic product that is a very good fit with our technology and abbreviated development pathway to market."

Adding to the mix is the existing formulation platform, where there is upside potential through royalties, licensing, as well as scope to grow the business organically.

Howell's ambition is to create a global speciality pharma "by leveraging the formulation platform and building a portfolio of products we can take forward to market ourselves."

This year's clinical trials are the first steps. A £6mIn raise at the end of 2018 will fund the Phase 1 trials of the three 'first wave' products.

The funding round brought three UK VCT/EIS funds, Calculus; Albion and Downing Ventures, onto the shareholder register.

Former parent Unilever remains the largest shareholder, having spun Arecor out of its portfolio in 2007, but Unilever is not a pharma company and recognised the need to bring in outside investors.

The consumer goods giant nonetheless is supportive of the plan to grow into a speciality pharma, says Howell.

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