

Arecor Therapeutics plc
("Arecor" or the "Group")

ARECOR ANNOUNCES ORDERLY CESSATION OF TETRIS PHARMA OPERATIONS AND MUTUAL AGREEMENT WITH XERIS TO RETURN OGLUO® RIGHTS

- ***Arecor to focus on high value R&D opportunities presented by advances in insulin and its oral delivery platform***

Cambridge, UK, 10 January 2025: Arecor Therapeutics plc (AIM: AREC), the biopharmaceutical group advancing today's therapies to enable healthier lives, today announces its intention during 2025 to cease operations within the Group's subsidiary Tetris Pharma, and a mutual agreement with Xeris BioPharma Holdings, Inc. (Nasdaq: XERS) ("Xeris") 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.

This action follows a recent strategic review of Tetris Pharma, including analysis of the future commercial opportunity for the business's lead product, the ready to-use glucagon auto-injector pen for severe hypoglycaemia, Ogluo®, which represents the majority of Tetris Pharma's product sales. The review determined that although Ogluo® remains a proven product with important potential patient benefits, rising supply chain costs and fixed selling prices in the licensed territories have significantly reduced margins. The extended timeline required to achieve breakeven no longer presents an optimal investment case. In addition, our 2025 revenue outlook for non-Ogluo® sales has been materially reduced in light of our partner losing a key NHS tender, materially reducing 2025 revenues for non-Ogluo® products. As a result of the review of Tetris Pharma, the decision was made to fully impair goodwill and intangibles of approximately £3 million in 2024.

This strategic decision to cease Tetris Pharma operations will enable the Group to focus its efforts and resources on opportunities that offer higher potential for value creation. These include progression of its novel ultra-concentrated, ultra-rapid acting insulin candidate, AT278, where strategic co-development partnering discussions are progressing at pace, as well as the further development of its oral peptide delivery platform. The development of an oral GLP-1 receptor agonist product continues to generate promising data with non-clinical pharmacokinetic (PK) studies on track to commence in 1H 2025 and the potential for rapid expansion into the broader peptide field.

Sarah Howell, Chief Executive Officer of Arecor, said: *"This strategic decision consolidates Arecor's focus on research and development in areas in which our innovative Arestat™ technology can deliver transformational opportunities. These include the progression of our next-generation insulin portfolio and innovation in the field of the oral delivery of peptides. We will also continue to progress our partnered portfolio of Arestat™ enabled superior therapeutics under our revenue generating technology licensing model. These present the greatest opportunities for the Group to build significant value and we remain confident in our strategy and excited about the opportunities for Arecor."*

Ogluo® is commercialised by Tetris Pharma under a license and supply agreement with Xeris BioPharma Holdings, Inc. (Nasdaq: XERS) which grants Tetris Pharma rights for the sale and distribution of the product in the EEA, UK, and Switzerland. Arecor and Xeris have agreed upon a mutual termination of the license agreement, subject to discussions with both regulators and patient groups. Alternative glucagon products are widely available in all countries.

This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 ("UK MAR").

-ENDS-

Analyst conference call today

Dr Sarah Howell, Chief Executive Officer, and David Ellam, Interim Chief Financial Officer, will host a conference call for analysts and investors at 8.45am UK time today. Join via webcast [here](#). Please contact ICR Healthcare for further details on arecor@icrhealthcare.com.

For more information, please contact:

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Notes to Editors

About Arecor

Areco Therapeutics plc is a globally focused biopharmaceutical company transforming patient care by bringing innovative medicines to market through the enhancement of existing therapeutic products. By applying our innovative proprietary technology platform, Arestat™, we are developing an internal portfolio of proprietary products in diabetes and other indications, as well as working with leading pharmaceutical and biotechnology companies to deliver therapeutic products. The Arestat™ platform is supported by an extensive patent portfolio. For further details please see our website, www.arecor.com

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