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Spotlight — flash

Sareum Holdings

Phase II readiness draws closer

Healthcare

21 July 2026

Sareum has taken another important step towards Phase II readiness for lead asset SDC-1801, completing dosing in the Phase II-enabling toxicology programme while remaining on track to deliver the full regulatory package by Q4 CY26 using existing cash resources. Development efforts now shift to data analysis, chemistry, manufacturing and controls (CMC) activities and formulation optimisation ahead of regulatory submission. We view the announcement as a meaningful de-risking milestone, particularly following the discontinuation of the original toxicology study in late 2025, which management attributed to the dosing vehicle rather than the drug candidate before restarting the programme in February 2026. We expect investor focus to shift towards the final toxicology dataset and Sareum's partnering strategy. Assuming supportive results, completion of the Phase II-enabling package should strengthen the company's negotiating position and mark the next meaningful value inflection point for the investment case.

We believe the announcement marks completion of a crucial element of SDC-1801's Phase II-enabling programme. Notably, the programme has progressed on schedule since restarting in February 2026, suggesting the issues that halted the original GLP toxicology study have now been resolved. This supports management's view that the earlier findings were related to the dosing vehicle rather than SDC-1801 itself, which is also consistent with the favourable safety profile demonstrated in the Phase I study. Overall, we believe this milestone improves confidence in the development timeline and removes a key overhang on the programme.

As a reminder, SDC-1801 is a selective dual TYK2/JAK1 inhibitor with the potential to deliver broader immunomodulatory activity than selective TYK2 inhibitors while avoiding the off-target toxicities historically associated with JAK2 and JAK3 inhibition. The initial target indication is expected to be psoriasis, a market forecast to reach c $55bn by 2033. The recently published peer-reviewed Phase I data independently validated the favourable pharmacokinetic profile, once-daily dosing potential and evidence of target engagement, further strengthening confidence in the programme as it approaches Phase II.

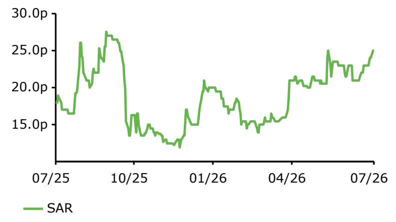
With attention now turning to data analysis, CMC activities and formulation optimisation, management expects to complete the Phase II-enabling regulatory package by Q4 CY26, which we view as the next major inflection point. Importantly, the programme remains fully funded through this milestone, reducing near-term financing risk. Sareum has previously indicated that later-stage development is likely to be undertaken with a commercial partner, making completion of the regulatory package significant from both regulatory and business development perspectives. Assuming supportive toxicology data, we expect investor focus to shift towards Phase II readiness and the timing and structure of a potential licensing transaction.

Historical financials				
Year end	**Revenue (£m)**	**PBT (£m)**	**EPS (p)**	**P/E (x)**
6/22	0.0	(2.6)	(3.20)	N/A
6/23	0.0	(4.0)	(4.70)	N/A
6/24	0.0	(4.6)	(4.20)	N/A
6/25	0.0	(4.9)	(3.60)	N/A

Source: Company data. Note: PBT and EPS are as reported.

Price	**25.00p**
Market cap	**£35m**

Share price performance



Share details

Code	SAR
Listing	AIM
Shares in issue	138.6m
Net cash/(debt) at 31 December 2025	£2.5m

Business description

Sareum Holdings is a UK-based company specialising in small molecule kinase inhibitors. Its lead programmes are TYK2/JAK1 inhibitors, SDC-1801 for autoimmune diseases and SDC-1802 for cancer. SDC-1801 is expected to be Phase II-ready by Q4 CY26. Other programmes include the CHK1 inhibitor SRA737, for which Sareum acquired the licence in March 2025, corresponding to a 63.5% economic interest (27.5% held previously).

Bull points

- SDC-1801's dual TYK2/JAK1 selectivity provides a competitive edge to peers, pending clinical validation.
- First-in-class potential for SDC-1802 and SRA737 in multiple cancer indications.
- Approval of Sotyktu provides regulatory feasibility for TYK2 inhibitors.

Bear points

- Potential funding challenges due to partnering delays affecting clinical progress of assets.
- Safety/efficacy profile of TYK2/JAK1 inhibitors needs to be proved in larger trials.
- Markets sought by SDC-1801 and SDC-1802 are highly competitive.

Analysts

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