Sareum Holdings

An important year for value creation

Following Sareum's H126 results, we update our investment case for the company to reflect progress to date and strategic priorities for CY26. After the slight setback with lead asset SDC-1801's toxicology findings in late 2025 (now confirmed to be unrelated to the candidate), activities are back on track, with the study restarted in February 2026. We maintain that SDC-1801, a novel TYK2/JAK1 inhibitor targeting autoimmune disorders, remains Sareum's core value driver and expect the CY26 priority to be completing the Phase II enabling toxicology study (by mid-CY26) and preparing the asset for Phase II partnering discussions. We also recognise optionality and potential licensing revenues from SDC-1802 and SRA737, which may ameliorate funding needs in CY26 (£2.5m cash balance at end-H126). Sareum's recent interest in CNS-focused programmes also provides additional strategic breadth, in our view, albeit at an earlier clinical stage.

SDC-1801 toxicology study restart encouraging

We view the restart of the Phase II enabling toxicology study for SDC-1801 (with a new CRO) as a positive development and a signal of management's confidence in the programme. Sareum discontinued the prior GLP toxicology study in October 2025 after unexpected safety findings, although subsequent analyses showed the adverse events occurred more frequently in control animals, suggesting the issue was linked to the dosing vehicle rather than the drug candidate. This interpretation aligns with the favourable safety profile observed for SDC-1801 in the Phase I study. Dosing is expected to be complete by mid-CY26, with the full Phase II-enabling data package anticipated by end-FY26, both potentially key catalysts, in our view.

Option to license other programmes

While Sareum's investment case remains centred on SDC-1801, we see scope for non-dilutive funding through potential out-licensing of SDC-1802 and SRA737. SDC-1802, also a TYK2/JAK1 inhibitor , has promise in haematological malignancies, while SRA737 is a CHK1 inhibitor (Phase II-ready) in which Sareum now holds a 63.5% economic interest (previously 27.5%). We expect the company to actively pursue partnering discussions for these assets in CY26.

Funded to completion of SDC-1801 tox studies

At current burn rates, we expect Sareum to be funded into H2 CY26 with sufficient liquidity to complete the toxicology study. Additional capital will be required in H2 ahead of partnering decisions for SDC-1801, with potential licensing revenues from SDC-1802 and SRA737 providing non-dilutive support.

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

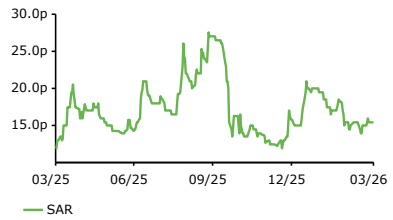
Source: Company data. Note: PBT and EPS are as reported.

Healthcare

25 March 2026

Price	**15.50p**
Market cap	**£21m**

Share price performance



Share details

Code	SAR
Listing	AIM
Shares in issue	138.1m
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.

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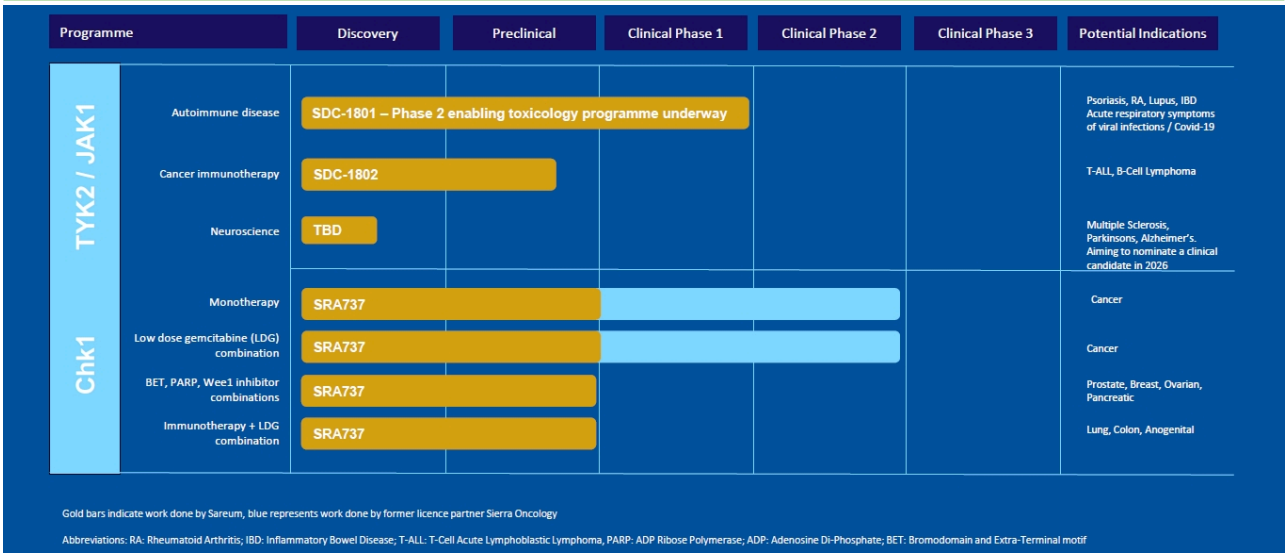
Business case resilient despite temporary setback

Sareum is a speciality UK-based pharma company focusing on oral formulations of small molecule kinase inhibitors (Exhibit 1). Its lead in-house assets, SDC-1801 and SDC-1802, are dual tyrosine kinase 2/Janus kinase 1 (TYK2/JAK1) inhibitors, targeting autoimmune and oncology indications, respectively. While SDC-1801 and SDC-1802 are wholly owned, Sareum also has a third development programme in the pipeline, SRA737, a checkpoint kinase 1 (CHK1) inhibitor targeting the DNA damage response network for treatment of solid tumours, where it holds a 63.5% economic interest. In addition, the company is evaluating the applicability of its exploratory TYK2/JAK1 compounds in neuroinflammatory indications such as multiple sclerosis (MS) and Parkinson's disease (PD) as part of its collaboration with Receptor.AI, announced in August 2025.

Exhibit 1: Sareum's development pipeline



Source: Sareum corporate presentation, March 2026

Following the release of the H126 results (the period ending December 2025), we revisit our investment case for the company, considering developments through CY25 (including toxicology studies for SDC-1801, the completion of translational studies for SDC-1802, the acquisition of 63.5% economic rights in SRA737, from 27.5% previously, and the foray into CNS conditions) as well as the outlook and key inflection points for CY26.

SDC-1801 top priority for CY26

With its differentiated dual mechanism of action targeting both TYK2 and JAK1, SDC-1801 has been Sareum's lead clinical asset and strategic focus in recent years, targeting autoimmune diseases with an initial emphasis on psoriasis. Psoriasis represents one of the largest immunology markets, accounting for c 30% of the broader immunological disease market and expected to reach c $39bn by 2030. Following encouraging topline and unblinded Phase I data in H2 CY24, Sareum's recent efforts have focused on completing the Good Laboratory Practice (GLP) toxicology studies required to support a Phase II trial in psoriasis, which are typically of 12 weeks duration.

The initial toxicology programme began in May 2025, but was discontinued in October 2025 following unexpected safety findings. While the exact adverse events have not been disclosed, management has confirmed that these occurred more frequently in control animals than in those receiving SDC-1801, suggesting the issue was related to the dosing vehicle rather than the candidate itself. Such issues with vehicles are not uncommon in preclinical studies and can typically be resolved through the use of different formulations, dosing schedules and study redesign.. Importantly, this interpretation is supported by the favourable safety profile observed in the Phase I study in healthy volunteers, where SDC-1801 demonstrated no serious adverse events or deaths and an adverse event profile comparable to placebo.

In February 2026, Sareum announced the restart of the toxicology programme with a new contract research organisation (CRO). We view this as an encouraging signal that the company retains confidence in the asset and believes the earlier findings were non-compound related. Management expects dosing to complete by mid-CY26, with the full

Phase II-enabling regulatory package available by end-CY26. In our view, successful completion of the toxicology programme should represent an important de-risking milestone and could support more substantive partnering or licensing discussions for the next stage of clinical development.

Mechanism of action has external validation

JAK family proteins (JAK1, JAK2, JAK3 and TYK2) are central regulators of immune signalling, mediating downstream pathways of multiple pro-inflammatory cytokines. SDC-1801 inhibits both TYK2 and JAK1, positioning it as a dual-target inhibitor within the JAK signalling network. TYK2 is involved in signalling pathways for cytokines such as interleukin-10 (IL-10), IL-12, IL-23 and type I interferons, which play key roles in autoimmune disease pathogenesis. JAK1 mediates signalling of additional cytokines including IL-6, IL-13, IL-27 and IL-35. By targeting both pathways simultaneously, SDC-1801 could theoretically deliver broader immunomodulatory activity, compared with biologic therapies that typically block a single cytokine pathway (such as tumour necrosis factor-alpha (TNF-α), IL-17 or IL-23 inhibitors currently used to manage psoriasis). Another potential advantage relates to safety. Earlier generation JAK inhibitors demonstrated off-target toxicities primarily associated with inhibition of JAK2 and JAK3, leading to cardiovascular and malignancy risks and the introduction of class-wide black box warnings for agents such as Xeljanz, Olumiant and Rinvoq. In contrast, SDC-1801 is designed to selectively inhibit JAK1 and TYK2, while sparing JAK2 and JAK3, potentially avoiding these liabilities.

Interest in the TYK2 pathway has increased markedly in recent years, providing further external validation of Sareum's strategic focus. The approval of Bristol Myers Squibb's Sotyktu (generic name: deucravacitinib) for moderate-to-severe plaque psoriasis in 2022, followed by its approval in psoriatic arthritis in March 2026, has validated TYK2 inhibition as a therapeutic strategy. In addition, Takeda's US$4bn acquisition of the Nimbus Therapeutics TYK2 inhibitor zasocitinib in 2023 highlights the significant commercial and strategic value large pharmaceutical companies are assigning to this pathway. In March 2025, Kaken Pharmaceutical licensed the Japanese rights for Alumis Therapeutics' Phase III TYK2 inhibitor envudeucitinib for an upfront payment of $40m and another up to $140m in milestones, along with tiered royalties on sales.

Sareum believes that dual TYK2/JAK1 inhibition of SDC-1801 may deliver superior efficacy to singular TYK2 targeting, without compromising safety versus single-target approaches, although this remains to be confirmed in larger clinical trials.

Recap of Phase I data

Sareum reported positive Phase I data for SDC-1801 in June 2024 from a randomised, placebo-controlled study (targeted n=96) evaluating safety, tolerability, pharmacokinetics (PK) and pharmacodynamics in healthy adults. The study, conducted in Australia, demonstrated a favourable safety and tolerability profile and supported the feasibility of once-daily oral dosing.
Full unblinded results (released in September 2024) showed no serious adverse events or deaths, with adverse event rates comparable to placebo. Importantly, no meaningful changes were observed in blood parameters such as haematological markers or serum creatinine levels. This finding is notable given the haematological and cardiovascular safety concerns historically associated with earlier generation JAK inhibitors, which as noted above were largely attributed to off-target inhibition of JAK2 and JAK3.

The study also demonstrated encouraging PK and pharmacodynamic outcomes. SDC-1801 achieved blood exposure levels significantly above predicted therapeutic thresholds and exhibited a relatively long half-life of 17–20 hours, supporting the potential for convenient once-daily dosing, similar to Sotyktu. In the multiple ascending dose cohort, where participants received SDC-1801 for 10 days, treatment produced dose-dependent reductions in several biomarkers of TYK2/JAK1 pathway activity, including interferon-gamma-induced protein 10, high-sensitivity C-reactive protein and interferon-alpha signalling. These biomarkers are key mediators of inflammatory signalling and their suppression provides early evidence of target engagement and biological activity.

From an investment perspective, while Phase I data remains preliminary, we believe that the combination of a clean safety profile, favourable PK characteristics and evidence of pathway modulation provides a supportive foundation for progression into patient studies. Therefore, it is our opinion that successful completion of the ongoing toxicology work and initiation of Phase II trials will represent the next critical step in demonstrating clinical proof-of-concept for SDC-1801. Management has also communicated that the manufacturing of the Good Manufacturing Practice (GMP) batch of SDC-1801, required for the clinical study, has been completed, with formulation optimisation nearing finalisation to support the Phase II clinical study.

Competitive landscape is evolving

The TYK2 inhibitor space has evolved rapidly in recent years following the clinical and commercial validation of the pathway, mainly driven by the approval of Sotyktu. This has catalysed significant industry investment in the class, with multiple next-generation TYK2 inhibitors progressing through clinical development and significant M&A activity highlighting its commercial potential. As a result, TYK2 inhibition is increasingly viewed as a promising therapeutic approach that could complement, or potentially compete with, biologic therapies across a range of autoimmune indications. We present a list of the most advanced stage TKY2 programmes in clinical development in Exhibit 2 below.

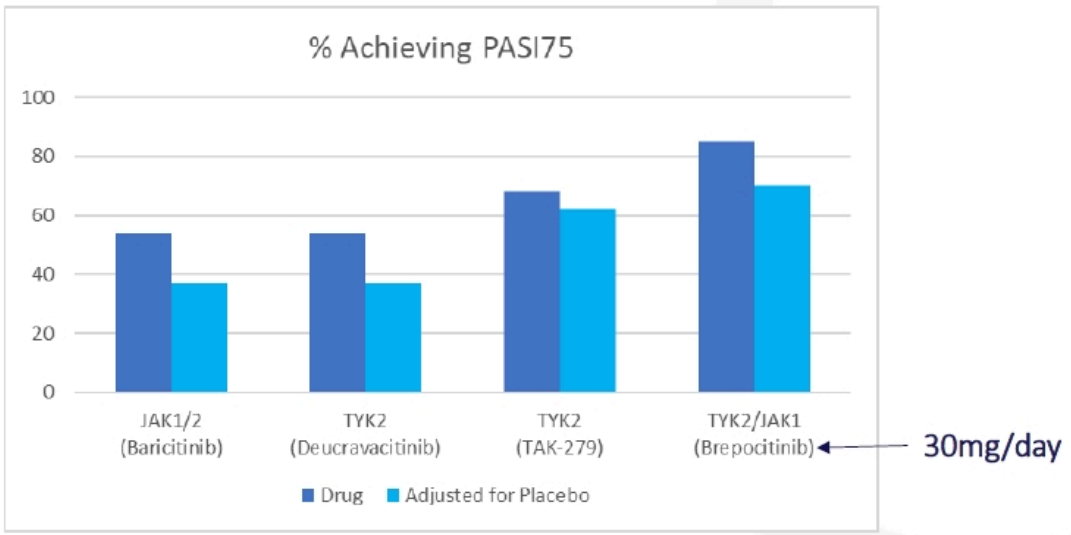
Exhibit 2: TYK2 competitive landscape in autoimmune diseases

Company	Drug	Selectivity	Indications	Comments
Bristol Myers Squibb	Sotyktu (deucravacitinib)	TYK2	Approved (US, EU and Japan) – PS, PsA	The FDA approved Sotyktu for moderate-to-severe plaque psoriasis in September 2022 and in March 2026 for active psoriatic arthritis (without black box warnings). The drug recorded sales of $291m in FY25.
			Phase III – SLE, SS	
Priovant Therapeutics (Pfizer spin-out)	brepocitinib	TYK2/JAK1	NDA – DM	The single registrational Phase III study (VALOR) evaluating brepocitinib in DM patients reported positive topline data in September 2025. NDA filed in early 2026. Another Phase III trial (CLARITY) is ongoing in non-infectious uveitis.
			Phase III - NIU	
			Phase II - Cutaneous Sarcoidosis	
Takeda/Nimbus Therapeutics	zasocitinib/NDI-034858/TAK-279	TYK2	NDA – PS	Nimbus Therapeutics' TYK2 programme was acquired by Takeda in December 2022 for an upfront payment of $4bn. Positive Phase III data from the LATITUDE study in PS in December 2025 (over 50% patients achieved PASI 90). NDA planned for 2026.
			Phase III – PS, PsA	
			Phase II – UC, CD, Vitiligo	
Alumis Therapeutics	envudeucitinib	TYK2	Phase III – PS	Positive topline data from the Phase III ONWARD1 and ONWARD2 trials evaluating envudeucitinib for the treatment of PS was presented in January 2026 (65% patients achieved PASI90 and 40% achieved PASI100 at week 24). NDA planned for H226.
			Phase II – SLE	
Innocare	soficitinib/ICP-332	TYK2	Phase III – AD	Patient enrolment in the Phase III trial in AD completed in February 2026.
Innocare	ICP-488	TYK2	Phase III – PS	Patient enrolment in the Phase III trial in PS completed in February 2026.
InventisBio	D-2570	TKY2	Phase II - PS	Phase III trial underway in PS following positive Phase II results in December 2024.
Galapagos	GLPG3667	TYK2	Phase II – DM, SLE	Reported positive Phase II topline data in DM in December 2025 (GALARISSO DM study), but missed the primary endpoint in the Phase II SLE study (GALACELA SLE).
Sino Biopharmaceutical	TQH3906	TYK2/JAK1	Phase II – PS	Positive topline data from a Phase II study (n=209) in PS reported in December 2025. PASI90 response rate was 70% at 12 weeks.

Source: Source: EvaluatePharma, Edison Investment Research. Note: PS, psoriasis; PsA, psoriatic arthritis; UC, ulcerative colitis; AD, atopic dermatitis; AA, alopecia areata; SLE, systemic lupus erythematosus; HS, hidradenitis suppurativa.

The strong clinical efficacy demonstrated by agents such as deucravacitinib (Sotyktu), zasocitinib, envudeucitinib and brepocitinib, approaching biologic-level outcomes, sets a high bar for emerging TYK2 programmes. New entrants will need to demonstrate comparable or superior efficacy alongside a favourable safety profile to support regulatory approval and commercial adoption. As illustrated in the exhibit above, the majority of pipeline assets are selective TYK2 inhibitors targeting autoimmune indications, including psoriasis, psoriatic arthritis, lupus, ulcerative colitis and Crohn's disease. In contrast, a smaller subset of programmes, including SDC-1801, are pursuing dual TYK2/JAK1 inhibition with the objective of achieving broader cytokine pathway modulation and potentially enhanced efficacy. Within this subgroup, brepocitinib, originally developed by Pfizer and now advanced by Priovant Therapeutics, is the most clinically advanced asset and serves as a key benchmark for SDC-1801. In cross-trial analyses presented by Sareum, it was noted that brepocitinib demonstrated higher PASI75 (75% improvement in psoriasis symptoms) response rates relative to selective TYK2 inhibitors such as deucravacitinib and zasocitinib/TAK-279 (Exhibit 3), supporting the hypothesis that dual TYK2/JAK1 inhibition may offer superior efficacy versus selective TYK2 targeting. However, we note that while this comparison provided a directional view, it is not confirmatory, given the differences in study designs and patient populations.

Exhibit 3: Cross-study comparison of percentage of patients achieving at least a 75% reduction in their Psoriasis Area and Severity Index scores



Source: Sareum corporate presentation, March 2026

While brepocitinib is currently being developed in dermatomyositis and non-infectious uveitis, SDC-1801 is expected to initially target psoriasis, although this may evolve depending on partner-led development strategy. Given the highly competitive nature of the psoriasis market, with multiple established biologics, oral therapies and a robust pipeline, the selection of the initial indication will be a key strategic consideration in maximising clinical success and commercial potential.

SDC-1801 compares favourably to brepocitinib, based on early data

During the H126 earnings call, management presented a comparative assessment of SDC-1801 versus brepocitinib, currently the most advanced TYK2/JAK1 inhibitor in clinical development, based on Phase I data. Sareum highlighted that brepocitinib, at a 100mg daily dose, has demonstrated high efficacy, achieving PASI90 responses in c 90% of patients at week 4, exceeding outcomes reported for both approved and investigational therapies, including biologics (Exhibit 4). However, this dose level has been associated with dose-limiting toxicities, including increases in serum creatinine and reductions in neutrophil and reticulocyte counts, which may constrain its clinical utility at higher exposure levels.

In comparison, Sareum indicated that SDC-1801 achieved similar plasma exposure at a 140mg daily dose (the highest dose tested in the Phase I study) but without an observable impact on kidney function or haematological parameters. In addition, SDC-1801 demonstrated a longer half-life of 17–20 hours, versus 6–8 hours for brepocitinib, supporting a more stable PK profile. Management also noted that brepocitinib exhibits a relatively 'spiky' exposure profile under once-daily dosing, whereas SDC-1801 maintains smoother plasma concentrations over time. Most importantly, SDC-1801 displayed the same potency as brepocitinib in human whole blood cytokine assays, indicating that SDC-1801 can potentially deliver similar efficacy as brepocitinib, but without the safety issues.

That said, cross-trial comparisons should be interpreted with caution, and early-stage data are not necessarily predictive of outcomes in later-stage studies. If the favourable safety and efficacy profile observed to date is replicated in more advanced trials, SDC-1801 could offer meaningful differentiation within the evolving TYK2 landscape.

In the nearer term, we believe that a successful completion of the Phase-II enabling toxicology study could unlock partnering optionality and valuation upside for Sareum.

Exhibit 4: Percentage of patients achieving at least a 90% reduction in their Psoriasis Area and Severity Index scores, across different timepoints (cross-study comparison)

Source: Sareum corporate presentation, March 2026

Licensing opportunity for other pipeline assets

SDC-1802 and SRA737: Potential for value realisation through partnering

SDC-1802 is Sareum's second internally developed TYK2/JAK1 inhibitor, being advanced for oncology and cancer immunology indications. In Q4 CY25, the company reported completion of multiple translational studies across a range of preclinical cancer models, with the strongest anti-tumour activity observed in haematological malignancies, including T-cell acute lymphoblastic leukaemia (T-ALL) and B-cell lymphoma. The asset is also supported by intellectual property covering its use in T-ALL and other cancers (granted in April 2022).

Given the strategic prioritisation of SDC-1801, management intends to progress SDC-1802 through a partnership or licensing route, which we view as a practical approach. SDC-1801 is more clinically advanced and targets a well-validated TYK2 pathway in autoimmune diseases, offering a more de-risked development profile. In contrast, the application of TYK2 and broader JAK inhibition in oncology remains relatively early-stage, with limited clinical validation to date. Approved JAK inhibitors in oncology have so far been largely confined to myelofibrosis and related haematological malignancies (eg Jakafi, Inrebic, Vonjo and Ojjaara). That said, the opportunity remains meaningful for next-generation agents with improved efficacy and tolerability. In our view, GSK's $1.9bn acquisition of Sierra Oncology in 2022, following positive Phase III data for momelotinib (brand name: ojjaara) showing a more favourable toxicity profile than earlier JAK inhibitors, underscores continued strategic interest in differentiated assets in this space. The company is currently in the process of preparing the required data package to support partnering discussions.

In addition to its two in-house programmes, Sareum holds a 63.5% economic interest in SRA737, an oral CHK1 inhibitor originally developed in collaboration with organisations funded by Cancer Research UK. This represents an increase from the company's previous 27.5% stake following the acquisition of broader licensing rights in March 2025. SRA737 is a highly selective CHK1 inhibitor targeting the DNA damage response pathway in solid tumours. CHK1 plays a key role in regulating DNA repair by pausing cell cycle progression in response to damage, such as that induced by chemotherapy; inhibition of this pathway is therefore thought to disrupt tumour cell survival.

The asset had had a challenging journey, with rights returned twice. It was previously out-licensed to Sierra Oncology, which completed two Phase I/II studies, including a monotherapy trial and a combination study with low-dose

gemcitabine in multiple solid cancers. The most favourable results were seen in anogenital cancers with an overall response rate of 25%. While monotherapy demonstrated a favourable safety profile, efficacy was limited, but the combination approach yielded more encouraging activity.

We note that no CHK1 inhibitors have yet been approved for oncology, largely due to off-target toxicities associated with earlier, less selective compounds, particularly CHK2 inhibition. In this context, SRA737's high selectivity for CHK1 (more than a thousand times more selective for CHK1 than CHK2), combined with its favourable safety profile, supports a potential first-in-class opportunity, particularly in combination regimens with chemotherapy, targeted therapies or immunotherapy. Sareum is seeking to out-license the asset, and we note that SRA737 already has Investigational New Drug (IND) approval in the US, which could facilitate rapid clinical progression under a development partner.

We believe that SDC-1802 and SRA737 offer potential for near-term value realisation through partnering, supporting a capital-efficient strategy while prioritising internal resources on SDC-1801.

Neuroinflammatory conditions: Longer-term optionality

We view Sareum's increasing focus on neuroinflammatory indications as a logical extension of its TYK2/JAK1 platform into the high unmet need area of the central nervous system (CNS), where the biological rationale is well established, but clinical development remains at an early stage. The Janus kinases-signal transducers and activators of transcription (JAK-STAT) pathway plays a central role in cytokine signalling, with TYK2 and JAK1 mediating pathways involving IL-6, IL-12, IL-23 and type I interferons, all of which are implicated in neuroinflammation. As such, a selective, brain-penetrant TYK2/JAK1 inhibitor could represent a novel oral therapeutic approach in conditions such as PD, MS and Alzheimer's disease, where current treatment options are largely symptomatic, rather than disease-modifying.

Sareum has previously reported encouraging early preclinical data, with six TYK2/JAK1 compounds evaluated in CNS models, three of which demonstrated meaningful blood-brain barrier penetration, including one with high brain exposure. Against this backdrop, we view the collaboration with Receptor.AI as strategically relevant, with potential to accelerate CNS-focused discovery. Under the agreement, Receptor.AI will use its in silico platform to design brain-penetrant, isoform-selective compounds, while Sareum retains full IP ownership and leads subsequent preclinical development, including synthesis, profiling and toxicology.

Recent updates indicated that the first batch of compounds had been synthesised and had completed early-stage testing, with a second batch currently in development. Data generated from this collaboration should support candidate selection for clinical development in neuroinflammatory indications. We expect MS to be the likely initial target, although we view this as a longer-term opportunity given the early stage of development and inherent risks associated with CNS drug discovery.

Although still early-stage the competitive landscape is evolving as well. Biohaven appears to be the most advanced, progressing its brain-penetrant TYK2/JAK1 inhibitor BHV-8000 into a Phase II/III trial in PD. Other players, including Alumis Therapeutics and Sudo Biosciences, are advancing TYK2 programmes (A-005 and SUDA-500, respectively) towards Phase II studies in MS, which are expected to commence from H126. We also note increasing deal activity in the space, highlighted by Formation Bio's in-licensing of Lynk Pharmaceuticals' Phase I-ready TYK2 inhibitor LNK01006 in December 2025 in a deal worth up to $605m plus royalties. Overall, while clinical validation remains limited, growing industry investment supports the view that TYK2/JAK1 inhibition could emerge as a relevant therapeutic approach in neuroinflammatory disease over the medium to long term.

Financials

Development plans to pick up pace in H1 CY26

Sareum reported an operating loss of £1.8m in H126, representing a 35% y-o-y increase versus £1.3m in H125, and broadly in line with £2.0m reported in H225. With the appointment of a new CRO and the restart of the SDC-1801 toxicology programme in February 2026, we expect R&D expenditure to increase modestly into H226 as development activity ramps up. The company recognised £0.2m in R&D tax credits during the period (vs £0.17m in H125 and £0.47m in FY25), resulting in a net loss of £1.7m (vs £1.2m in H125). The operating cash outflow was £1.6m, which was slightly lower than £1.8m in H125, supported by favourable working capital movements.

We note that H225 results were affected by a £1.6m non-cash finance charge related to warrants issued as part of the

October 2024 fundraise (£3.4m). This included the issuance of 16.3m warrants (exercise prices of 20p and 22.5p), of which 1.1m have since been exercised. Following the March 2025 fundraise (£1.07m), the exercise price of outstanding 2024 warrants was rebased to 12.5p, resulting in the recognition of a £1.6m charge in the income statement and a corresponding liability on the balance sheet. As a non-cash item, this had no impact on liquidity, with operating cash outflow in H225 reported at £1.9m.

Operational headroom into H2 CY26

Sareum ended H126 with a gross cash balance of £2.5m and no debt (vs £4.1m at end-H125, and £3.5m at end-FY25), with no additional capital raised since March 2025. Assuming cash burn remains broadly in line with historical levels (£1.9m in H225), we estimate the company is funded into H2 CY26, beyond the anticipated completion of SDC-1801 toxicology studies. We view this milestone as a potential inflection point, following which the company may seek additional funding to support Phase II initiation. Consistent with its prior strategy, we expect later-stage development to be pursued under a licensing framework, providing potential access to upfront payments, milestones and royalties.

Exhibit 5: Financial summary

£'000s	2023	2024	2025
Year end 30 June	IFRS	IFRS	IFRS
Income Statement			
Revenue	**0**	**0**	**0**
Profit Before Tax (as reported)	(4,025)	(4,602)	(4,903)
Net income (as reported)	**(3,192)**	**(3,420)**	**(4,438)**
EPS (as reported) – (p)	(4.7)	(4.2)	(3.6)
Dividend per share (p)	0	0	0
Balance Sheet			
Total non current assets	47	9	0
Total current assets	1,973	2,758	4,230
Total assets	**2,020**	**2,767**	**4,230**
Total non current liabilities	0	0	0
Total current liabilities	(867)	(653)	(1,953)
Total liabilities	**(867)**	**(653)**	**(1,953)**
Net Assets	1,153	2,114	2,277
Shareholder equity	**1,153**	**2,114**	**2,277**
Cashflow			
Net cash from operating activities	(3,267)	(3,919)	(2,551)
Net cash from investing activities	0	9	89
Net Cash from financing activities	0	4,375	4,549
Net Cash Flow	**(3,267)**	**465**	**2,087**
Cash & cash equivalent end of year	**994**	**1,459**	**3,546**

Source: Sareum Holdings documents

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