Developing novel medicines to treat cancer and autoimmune diseases

Sareum Holdings plc
Annual Report and Accounts
2025

Sareum

COMPANY INFORMATION

Directors

CHW Birch FCA
TJ Mitchell PhD
MJ Owen PhD
SB Parker DPhil
JC Reader PhD

Secretary

CHW Birch FCA

Registered office

Unit 2a, Langford Arch
London Road
Pampisford
Cambridge
Cambridgeshire
CB22 3FX

Registered number

05147578 (England and Wales)

Auditor

Moore Kingston Smith LLP
Chartered Accountants and Statutory Auditors
6th Floor
9 Appold Street
London EC2A 2AP

CONTENTS

HIGHLIGHTS

Operational highlights

SDC-1801 (autoimmune disease)

- Positive topline data from the Phase 1 clinical trial both single ascending dose (SAD) and multiple ascending dose (MAD) reported, demonstrating a favourable safety and tolerability profile, pharmacokinetics supportive of once-daily dosing and dose-responsive pharmacodynamic (PD) biomarker reductions.
- None of the potentially dose-limiting side effects which were observed in brepocitinib, Pfizer/Priovant's investigational dual JAK1 and TYK2 inhibitor being developed as an oral treatment for inflammatory autoimmune diseases.
- The full dataset from the Phase 1 clinical trial has been submitted to an academic journal and is going through the journal's review process prior to publication.
- After the period, the 16-week GLP preclinical toxicology study was discontinued following unexpected findings, which were observed more frequently in control-group animals that did not receive SDC-1801. Recent additional data has confirmed that the control group were not dosed with SDC-1801, and the findings are therefore considered unrelated to SDC-1801.

"Sareum has made good progress across its pipeline in 2025 and is poised to advance development of its lead asset, SDC-1801, while advancing a promising collaboration in neuroscience.

The strong Phase 1 results continue to reinforce our conviction that SDC-1801 has the potential to become a best-in-class, once-daily oral therapy for autoimmune diseases.

In parallel, we secured the licence to SRA737 on substantially improved terms, and we are actively assessing the most effective routes to progress and create value from this asset.

- The Company is in discussions with several contract research organisations (CROs) to restart the study as soon as possible, using existing cash resources.
- Phase 2-enabling work, including non-clinical studies and formulation optimisation, is continuing and will support the initiation of Phase 2 clinical trials.
- Patent protection further strengthened with allowances granted in the United States (July 2024) and China (September 2024) covering molecular structure and crystalline forms of the compound respectively.

SDC-1802 (cancer immunotherapy)

- Translational studies with SDC-1802 have been completed, providing a solid data package to support potential further development.
- The strongest cancer response was seen in cancers with a significant level of unmet medical need including indications affecting relatively small patient populations, which are best suited to targeted development approaches.
- The Company is reviewing how best to progress SDC-1802 into clinical development and notes that partnering may be the preferred route at this stage.

SRA737 (cancer)

- In March 2025, the former US licence arrangement for SRA737 was terminated and the asset reverted to the CRT Pioneer Fund (CPF).
- Sareum successfully acquired the licence for SRA737 following the termination of the licensing agreement. The Company renegotiated significantly improved economic terms, securing 63.5% of all future revenues compared to 27.5% under the former agreement at no cost to the Company.

Discovery programme in Central Nervous System (CNS)

- Post-period, Sareum announced a collaboration with Receptor.AI to accelerate discovery of blood–brain barrier (BBB)-penetrant, isoform-selective TYK2/JAK1 inhibitors for potential use in neuro-inflammatory indications such as multiple sclerosis and Parkinson's disease. This builds on earlier preclinical work from the Company's SKIL platform, which demonstrated blood–brain barrier permeability of selected TYK2/JAK1 molecules.

Financial highlights

- Cash at 30 June 2025: £3.5 million (30 June 2024: £1.5 million);
- Operating loss (including R&D spend): £3.4 million (2024: £4.6 million);
- R&D spend: £2.1 million (2024: £3.6 million);
- Loss before tax and non-cash warrant charge : £3.3 million (2024: £4.6 million);
- Loss after tax: £4.4 million (2024: £3.4 million);
- R&D tax credits received in the period: £1.2 million (£0.8 million in the year to 30 June 2024).

EXECUTIVE CHAIRMAN'S REPORT

COMPANY OVERVIEW

Sareum is a clinical-stage small molecule drug development company which is focused on advancing inhibitors of the JAK kinase family into clinical development for autoimmune disease and cancer. It is led by a highly experienced team with expertise in kinase inhibition and decades of experience in R&D and public company management.

Sareum's pipeline is focused on TYK2/JAK1 inhibitors, which are involved in signalling pathways that are deregulated in multiple autoimmune diseases. Inhibition of TYK2 and JAK1 has the potential to yield a superior efficacy compared with agents that block just one of these two kinases and with a superior safety profile than "first generation" JAK family inhibitors that also modulate JAK2 and JAK3.

Sareum also the license holder for SRA737, a clinical-stage Chk1 inhibitor which it originally developed in collaboration with several Cancer Research UK-related organisations. SRA737 has shown promising safety and efficacy in two Phase 1/2 clinical trials.

CURRENT UPDATE

We are pleased with the progress achieved during the year on our lead programme, SDC-1801. Positive topline data from the Phase 1 trial confirmed a favourable safety and tolerability profile together with PK/PD findings supportive of once-daily dosing. A 16-week GLP preclinical toxicology study was discontinued following safety findings observed primarily in control-group animals. These are considered unrelated to SDC-1801, and the study is expected to restart as soon as possible. The Company is in discussions with several CROs to undertake the study. Alongside the ongoing drug remanufacture and formulation optimisation, this positions the programme well for its next stage of development.

For SDC-1802, translational work has largely been completed, providing a robust dataset. The Company is reviewing how best to progress SDC-1802 into clinical development and notes that partnering may be the preferred route at this stage.

We further strengthened our position in oncology in March 2025 by securing the licence for SRA737 on substantially improved economic terms. This materially increased our share of potential future revenues to 63.5%, from 27.5% previously. The new agreement provides both enhanced economic upside and greater control over the development strategy for the programme. SRA737 remains a highly differentiated checkpoint kinase one (Chk1) inhibitor with potential across a range of tumour types, and we are assessing the most effective routes to progress and create value, including potential partnerships.

Post-period, we expanded our research into new disease areas through a collaboration with Receptor.AI. This initiative applies advanced Artificial Intelligence (AI) tools to accelerate the discovery of BBB-penetrant, isoform-selective TYK2/JAK1 inhibitors for neuro-inflammatory indications. The collaboration builds on Sareum's earlier SKIL work, which demonstrated the feasibility of identifying TYK2/JAK1 molecules with blood-brain barrier permeability.

We believe this programme not only extends the relevance of our science into CNS but also highlights our ability to leverage innovative partnerships to broaden the impact of our pipeline. Our intellectual property position has been strengthened with new allowances in key territories, and we continued to manage resources prudently, including additional funding during and after the period.

We enter the new financial year with a clear set of milestones: complete the Phase 2-enabling package for SDC-1801 and prepare for the next stage of clinical development, progress partnering for SDC-1802, define the optimal path for SRA737, and advance the CNS discovery programme.

FINANCIAL REVIEW

The loss on ordinary activities after taxation for the year ended 30 June 2025 was £4.4 million (2024: loss of £3.4 million). Sareum ended the year to 30 June 2025 with cash at bank of £3.5 million (30 June 2024: £1.5 million). The Group received R&D tax credits of £1.2 million in the year (2024: £0.8 million).

During the year Sareum raised £4.5m after expenses from fund raises reflecting the positive views of the Group's progress and future prospects. These funds will support further development of SDC-1801, including completion of the Phase 2-enabling toxicology studies, which are expected to restart as soon as possible, to prepare the asset for Phase 2 clinical trials thereby enhancing its potential value.

FUTURE OUTLOOK

Sareum expects continued progress in the year ahead as it completes the Phase 2-enabling package for SDC-1801 and prepares for the start of patient trials. Positive Phase 1 data remains supportive of once-daily dosing, and toxicology studies are expected to restart as soon as possible as we work towards positioning the programme to move into the next stage of development. Recent additional data restores our confidence that the control group were not dosed with SDC-1801, and the findings are therefore considered unrelated to SDC-1801. In parallel, the Company intends to progress the broader portfolio through targeted business development and partnerships. The Company is reviewing options for further development of SDC-1802, which we believe has attractive potential against certain haematological cancers.

For SRA737, the new licence terms provide a significantly improved economic platform from which to determine the most effective routes to value creation. Post-period, the new TYK2 Neuroscience collaboration extended the relevance of Sareum's science into neuro-inflammatory disease, adding long-term optionality to the portfolio.

With strengthened intellectual property, prudent financial management and clear milestones ahead, the Company is confident of delivering further progress in the year to come.

SB Parker DPhil
Executive Chairman
17 November 2025

PROGRESSING OUR STRATEGY

Sareum's strategy is to develop novel, targeted drug candidates to late preclinical or early clinical stages before licensing these products to pharmaceutical or biotechnology company partners to continue their development towards and onto the market. We operate a lean, outsourced business model to deliver the most productive return for our research spend.

1 Develop programmes to preclinical/early clinical development

- Minimise ongoing development risk
- Move up the value chain
- Potential for higher deal values

2025 updates

A first-in-human Phase 1 clinical trial of the dual TYK2/JAK1 inhibitor SDC-1801 completed in July 2024 showing a favourable safety profile, high levels of blood exposure and a half-life of 17-20h. Since completion of the trial further batches of SDC-1801 drug substance have been manufactured: A non-GLP batch for use in long term toxicology studies, and a GLP batch for use in subsequent clinical trials. Optimisation of the drug product is ongoing to enhance delivery of SDC-1801 from capsules. 16 week toxicology studies were initiated but terminated early due to animal welfare concerns, observed disproportionately in the control group, and therefore considered unrelated to SDC-1801.Translational work on SDC-1802 has concluded, and demonstrated the potential of SDC-1802 for the treatment of certain haematological cancers. A review is being undertaken to consider the best path for further development.
An open IND with the US FDA to conduct a clinical trial with the checkpoint kinase 1 inhibitor SRA737 in AML and MDS patients was transferred to Sareum, along with sufficient drug product to conduct the trial.

2026 objectives

- SDC-1801 – completion of Phase 2 enabling studies including 16 week toxicology at a new provider. Optimise capsule formulation (drug product) suitable for a Phase 2 study in patients.
- SDC-1802 – conclude review into development options and action. Likely preferred outcome is to seek a development partner.
- SRA737 – Seek development partner to conduct further clinical development.

2 Seek collaboration partners

- Spread financial cost and risk
- Access specialist development and commercialisation expertise

2025 updates

In August 2025 Sareum entered into a strategic collaboration with Receptor.AI, an Artificial Intelligence and technology-driven drug discovery company, to accelerate discovery of TYK2/JAK1 inhibitors for neuroinflammatory diseases. The collaboration seeks to develop inhibitors based on our existing compounds, capable of permeating the blood-brain barrier to generate high quality candidates suitable for preclinical development in indications such as Multiple Sclerosis and Parkinson's disease.

2026 objectives

Discovery and nomination of a Sareum Development Compound to enter formal preclinical development during calendar year 2026.

KEY PERFORMANCE INDICATORS (KPIs)

The Directors use the following KPIs as a measure of the Group's performance:

R&D spend

£2.1 million

2025	**£2.1 million**
2024	£3.6 million
2023	£2.9 million

Lower R&D spend in 2025 due to the clinical trial activity.

Loss for the year

£(4.4) million

2025	**£(4.4) million**
2024	£(3.4) million
2023	£(3.2) million

Loss reflects the investment in clinical R&D in 2025 and charge for warrants granted.

Cash at bank

£3.5 million

2025	**£3.5 million**
2024	£1.5 million
2023	£1.0 million

Cash is required to advance Sareum's pipeline and for working capital purposes.

PROGRESSING OUR STRATEGY (CONTINUED)

3 License drug candidates to pharmaceutical company partners

- Generate short and potential long-term revenues through upfront and milestone payments and royalties
- Validate research and define value of assets
- Progress drug candidates through clinical development and commercialisation

2025 updates

Having taken control of the SRA737 programme the company has expanded our business development efforts with a view to securing commercial licences for both SRA737 and SDC-1801. The conclusion of translational studies on SDC-1802 has generated a data pack suitable for seeking partners for this programme should we choose that route for further development.

2026 objectives

- SDC-1801 – Publish outcome of SDC-1801 Phase 1 trial and complete studies necessary to progress into Phase 2 trials. This will comprise a clinical data package that we believe will be attractive to potential licence partners.
- SRA737 – Seek licence partner to conduct further clinical development.

4 Pursue multiple programmes

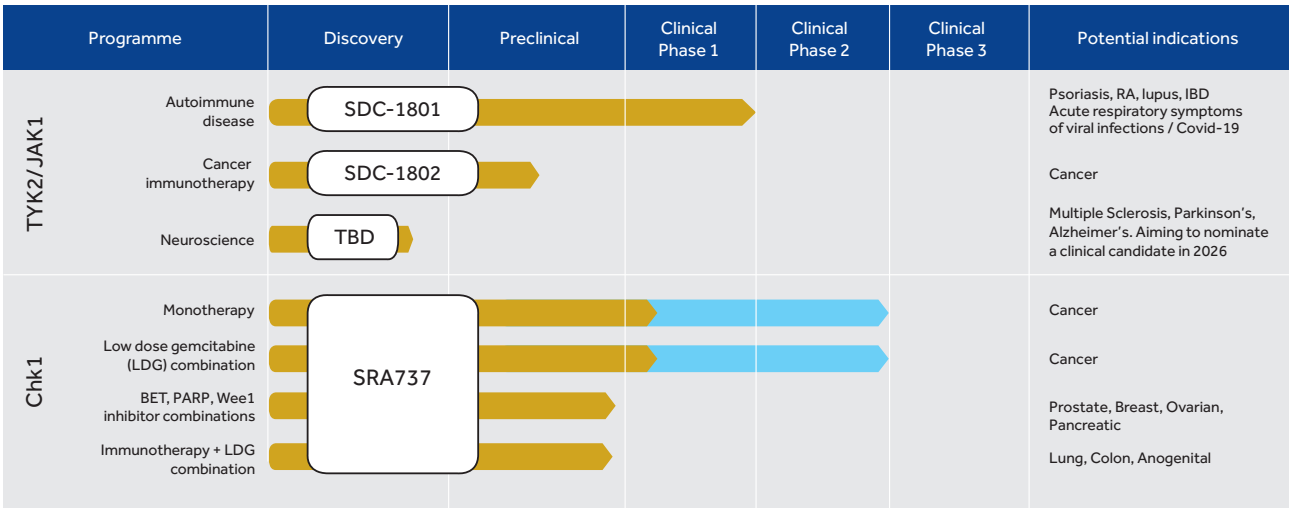
- Increase potential success rate
- Mitigate development risk

2025 updates

Further development of SDC-1801 remains the primary focus of the group, however during the period we became license holders of the SRA737 programme and, post-period, initiated a new programme, in collaboration with Receptor.AI to discover and develop brain penetrant TYK2/JAK1 molecules for the treatment of neuroinflammatory diseases. The group also concluded its translational studies around SDC-1802, and believe it is well-positioned for further development as a potential therapeutic for haematological cancers such as T-ALL or B-Cell lymphoma.

2026 objectives

We continue to believe that SDC-1801 has best-in-class potential as a dual TYK2/JAK1 inhibitor for autoimmune diseases, and will continue to develop the molecule until it is ready for Phase 2 trials in patients. The favourable clinical safety profile of SRA737, due to its selectivity profile, also confers potential best-in-class status, and the company will seek a licence partner to further clinical development. We will progress the discovery and development of brain penetrant TYK2/JAK1 inhibitors through the collaboration with Receptor.AI, to nominate a development candidate during 2026. The company will identify the optimal development path for the oncology asset, SDC-1802, likely to be through partnering the programme.



Gold bars indicate work done by Sareum, Blue represents work done by former licence partner Sierra Oncology

RA: Rheumatoid Arthritis
IBD: Inflammatory Bowel Disease
BET: Bromodomain and Extra-Terminal Motif
PARP: ADP Ribose Polymerase
ADP: Adenosine Di-Phosphate

RISK MANAGEMENT AND PRINCIPAL RISKS

Principal risks and uncertainties

The Board has primary responsibility for ensuring the Group's risks are properly understood, quantified, and appropriately managed, though it looks to the Audit and Risk Committee to provide recommendations on risk management processes and controls. The Audit and Risk Committee and the Board regularly review the Group's risk register. The actions proposed and taken by management to mitigate risk and to reduce the likelihood and impact of the risks faced by the business have been reviewed and are deemed satisfactory.

The Audit and Risk Committee is chaired by Non-executive Director Clive Birch. Clive is a retired partner of PricewaterhouseCoopers where his role was that of an auditor and reporting accountant with an industry specialism in early-stage technology and healthcare companies.

The principal risks and uncertainties of the business and how they are managed are set out in the table below.

Risk management framework

Risk management

The Board has established a risk register relating to the Group's business. At least twice a year, it meets to consider the appropriateness of the risks identified and the mitigating action taken by management on a risk-by-risk basis focusing on those deemed most critical.

Key: Risk has decreased | Risk has increased | No change in risk

Risk	Description and mitigation	Risk change	Link to strategy
Financial	The principal financial risks are the ability to raise sufficient funds to support the Company through to profitability and failure to secure licensing agreements. The Group's low cost base ensures that funds are used in the most efficient way. Sareum has historically raised the majority of its funds from private client broker and wealth management networks.	A healthy balance sheet at year end provides sufficient funds for our near and mid-term objectives.	**1, 2, 3, 4**
Research and development	There are a number of risks in developing drug candidates due to a long and complex development process. Any programme must undergo extensive research to get to preclinical or clinical stage. This process takes several years and is very costly. R&D programmes can fail at any point. We undertake extensive early research and create a dossier of information that enables us and our advisers to evaluate the potential of a candidate before we seek to progress to preclinical or clinical phases. We also seek collaboration partners whose own due diligence reaffirms our assessment of a candidate's potential.	The favourable safety profile of SDC-1801 was demonstrated in the Phase 1 trial, however the vehicle related issues in the recently terminated longer term toxicology studies need to be understood and overcome to complete Phase 2 readiness. Beginning a new neuroinflammatory programme building on our existing TYK2/JAK1 expertise and experience mitigates the potential of failure elsewhere in the pipeline.	**1, 2, 3, 4**

RISK MANAGEMENT AND PRINCIPAL RISKS
(CONTINUED)

Risk	Description and mitigation	Risk change	Link to strategy
Intellectual property	Our ability to stop others exploiting our intellectual property, without first obtaining a licence, is critical to our long-term success. Therefore, we file patent applications in the patent offices of the major commercial territories. To obtain patent protection, our inventions must be considered novel, inventive and useful. However, some, or all, of the patent offices may reject or seek to modify our patent applications. Intellectual property protection is fundamental to our strategy of developing novel drug candidates and underpins our R&D programmes and we invest appropriately in this area.	⌄ Protection of the molecular structure of SDC-1801 is complete in all the major territories, and protection of the crystal form is now approved in China, Japan and the USA. We have a robust IP strategy in place to extend patent life and exclusivity for SRA737. We continue to ensure all relevant patents are in place and renewed on a timely basis for all projects.	**1, 3, 4**
Collaboration	Working with third parties carries a risk of loss of control on progress and can lead to research delays. This can increase Sareum's own financial commitment as a result of continued spend on fixed costs during a delay and potential additional financial contributions required in order to progress a programme. We collaborate closely with our partners to anticipate and plan around any likely delays. Collaboration contracts clearly outline responsibilities and key milestones as well as cost, licensing, and revenue sharing.	– We are not aware of any issues affecting our business partners. Our new collaboration with Receptor.AI is on a fee-for-service basis, and all rights and IP generated in the programme remain with Sareum.	**1, 2**
Competition	There always remains the possibility that a similar drug is being developed by a competitor that demonstrates greater efficacy or a better safety profile. Alternatively, a similar drug in development may conclude a licensing deal or reach a later stage of development before we are able to, thus reducing the likelihood of Sareum securing a licensing agreement. The management and advisory boards gather as much information as possible on competitive products and programmes. Progress and key milestones are monitored to understand how these may affect our own programmes. Sareum also pursues more than one development programme in order to mitigate the overall risk to the Group.	⌃ There is increased preclinical and clinical activity in the TYK2 and dual TYK2/JAK1 space. There is increased activity in other targeted approaches to treating inflammatory and autoimmune disorders. SDC-1801 has been delayed by the need to restart the long-term toxicology study prior to entering phase II trials.	**1, 3, 4**

DIRECTORS

Stephen Parker DPhil
Executive Chairman

Biography
Dr Stephen Parker, aged 67, has a career in the healthcare and pharma sector that spans over 35 years, including 10 years in the City in advisory roles. He has sector corporate finance experience having been an investment banker focusing on pharma and biotechnology with Barings, Warburg and Apax Partners and has previously held roles as a partner at Celtic Pharma and chief financial officer of Oxford GlycoSciences.

Committee responsibilities
Audit and Risk, Remuneration, Nominations

Other appointments
Stephen is Non-Executive Chairman of BioDexa Pharmaceuticals plc and Drishti Discoveries Limited, and a director of sp2 Consulting Limited and sp2 Asset Management Limited.

Tim Mitchell PhD
Founder and COO

Biography
Dr Tim Mitchell, aged 65, has over 35 years' experience in the industry with key management and business expertise gained from his positions at Cambridge Discovery Chemistry Ltd and his roles at Millennium Pharmaceuticals Research and Development Ltd as a member of the management team and in forming the integrated Structure-Based Discovery department. As director of the Millennium Structure-Based Discovery department, Tim was responsible for global provision of protein structure and high throughput chemical synthesis for Millennium as well as for local computational chemistry, informatics, and automation capabilities. Prior to that, he was director of computational chemistry at Cambridge Discovery Chemistry Ltd and a team leader in the Computational and Structural Sciences department at SmithKline Beecham Pharmaceuticals. Tim has a PhD in computational chemistry and a BSc in chemistry.

Committee responsibilities
None

Other appointments
None

John Reader PhD
Founder and CSO

Biography
Dr John Reader, aged 58, has over 25 years' experience within the industry and was formerly associate director, chemical technologies at Millennium Pharmaceuticals Research and Development Ltd, prior to which he worked with Pharmacopeia Inc. and Cambridge Discovery Chemistry Ltd in the provision of high throughput chemistry services to external and internal clients. John has extensive experience of leading large research teams and in the invention and application of new technologies to the drug discovery process, with an excellent track record of delivering successful projects to clients and has authored or co-authored many patents and publications. The majority of patents granted to John cover composition of matter discovered in the multiple projects in which he has worked, with further patents covering technological innovations in the field. John is a member of the EPSRC Peer Review College and has a PhD in chemistry and a BSc in applied chemistry.

Committee responsibilities
None

Other appointments
None

DIRECTORS (CONTINUED)

Michael Owen PhD
Non-executive Director

Biography
Dr Michael Owen, aged 74, has worked in biomedical research, and in the pharmaceutical and biotechnology industries for over 40 years. He was the co-founder and first CSO of Kymab Ltd, a biopharmaceutical company based in Cambridge, UK, which was acquired by Sanofi for up to £1.45 billion in 2021. Prior to Kymab, he worked for GSK where he was SVP and head of research for biopharmaceuticals R&D. In addition to the board roles listed below, Mike is a member of Apollo Therapeutics' R&D Investment Advisory Board. Mike received an MA from Oxford University and a PhD from Cambridge University, and is an elected member of the European Molecular Biology Organisation and a Fellow of the Academy of Medical Sciences.

Committee responsibilities
Remuneration (Chair), Audit and Risk, Nominations (Chair)

Other appointments
Michael is a non-executive director of Ossianix Inc, Istesso Ltd and NovalGen Ltd, and is a director and trustee of the Club Cricket Organisation Ltd.

Clive Birch FCA
Non-executive Director

Biography
Clive Birch is 72 and a Chartered Accountant. He is a retired partner of PricewaterhouseCoopers where his role was that of an auditor and reporting accountant with an industry specialism in early-stage technology and healthcare companies. He was also part of the teams involved in fundraising and listing those clients on various markets. Clive was also partner in charge of PwC's Cambridge office for 15 years up to 2010, during which time he was responsible for all aspects of that stand-alone business.

Committee responsibilities
Audit and Risk (Chair), Remuneration, Nominations, Senior Independent Director

Other appointments
Clive is a director of Chrib Ltd and Pigeon (Thorpe Road) Ltd.

GROUP STRATEGIC REPORT

for the year ended 30 June 2025

The Directors present their Strategic Report for the Company and the Group for the year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the year under review were those of a holding company. The principal activity of the Group is the discovery and development of new therapeutic drugs by a combination of skills in biology, computational chemistry and medicinal chemistry.

Our approach is to discover and develop programmes to late preclinical or early clinical stages before licensing or partnering. We maintain a lean cost base with a small, highly specialised team and use trusted third-party providers to maximise return on investment.

FAIR REVIEW OF THE BUSINESS

Throughout the period under review the Group continued to develop its drug discovery programmes using outsourced biology, chemistry and clinical resources as well as exploring commercial opportunities with potential partners. In the future the Group will continue to build value from its in-house research and development by seeking to advance and commercialise its drug discovery programmes. These are as follows:

SDC-1801

SDC-1801 is a selective TYK2/JAK1 inhibitor being developed as a potential new therapeutic for a range of autoimmune diseases, with an initial focus on psoriasis, an autoimmune condition affecting the skin. Psoriasis is a dermatological condition affecting more than 60 million adults worldwide, with a market size for potential treatments estimated to be worth more than US$30 billion. Sareum believes that TYK2/JAK1 inhibition offers potential for increased efficacy in psoriasis, compared with existing approved therapies.

In July 2025, Sareum reported positive topline results from the Phase 1 clinical trial conducted in healthy volunteers in Australia. The study included SAD and MAD cohorts designed to evaluate safety, tolerability, pharmacokinetics (PK) and pharmacodynamic (PD) biomarker responses.

- Safety and tolerability: SDC-1801 was generally well tolerated at all doses tested, with no serious adverse events due to SDC-1801 reported. The most frequently observed adverse events were mild and transient. No clinically significant changes in laboratory parameters, ECGs or vital signs were noted.
- Pharmacokinetics: PK analysis demonstrated a half-life of approximately 17-20 hours, supporting once-daily oral dosing. Exposure increased with dose and reached steady state within 5-7 days.
- Pharmacodynamics: Biomarker analysis confirmed dose dependent reductions in relevant cytokine signalling pathways, consistent with selective TYK2/JAK1 inhibition and sustained target engagement.

Together, these data provide confidence that SDC-1801 can be advanced into patient studies. Psoriasis is expected to serve as the initial proof-of-concept indication, providing a well-established clinical and regulatory pathway while offering broader read-across to other autoimmune conditions.

In October 2025, Sareum discontinued its 16-week GLP preclinical toxicology study for SDC-1801 after unexpected safety findings were observed. The findings occurred more frequently in control-group animals that received an inactive dosing solution than in those treated with SDC-1801. Based on latest assessments, these findings are considered unrelated to SDC-1801. Sareum is now working with consultants and alternative providers to determine the cause and restart the study as soon as possible. Despite this setback, Sareum expects to complete the full toxicology programme using its existing cash resources. The Company is in discussions with several potential contract research organisations (CROs) to undertake the study.

In parallel, CMC and formulation development activities are progressing to ensure drug product supply suitable for further clinical studies. The combined package will inform Phase 2 study design and regulatory submissions.

SDC-1802

SDC-1802 is a TYK2/JAK1 inhibitor being developed for cancer and cancer immunotherapy applications. A number of translational studies have completed and demonstrated the strongest validation in haematological cancers such as T-ALL and B-cell lymphoma, areas of significant unmet need, but small and highly competitive markets. Translational studies have generated a comprehensive dataset that includes in vitro and in vivo evidence of immune-modulating and anti-tumour activity. The programme has shown potential both as a single agent and in combination with existing therapies, highlighting the broad applicability of selective TYK2/JAK1 inhibition in oncology.

Reflecting its portfolio priorities and the near-term opportunity represented by SDC-1801, the Company is reviewing how best to progress SDC-1802 into clinical development, with partnering potentially the preferred option. Internal resources remain focused on advancing SDC-1801 and building value across the broader portfolio, including SRA737 and the CNS discovery collaboration.

SRA737

SRA737 is a clinical-stage oral, selective inhibitor of checkpoint kinase 1 (Chk1), that targets cancer cell replication and DNA damage repair mechanisms. By targeting Chk1, SRA737 is designed to disrupt cancer cells' ability to repair DNA damage, thereby enhancing sensitivity to DNA-damaging agents and potentially improving therapeutic outcomes in a range of tumours.

During the period, Sareum successfully acquired the licence for SRA737 following the termination of a licensing agreement between CPF and a US-based licensee in December 2024. The Company renegotiated significantly improved economic terms, securing 63.5% of all future revenues compared to 27.5% under the former agreement at no cost to the Company. The Company remains encouraged by the potential to secure a promising development path for the compound, given the data from the Phase 1/2 studies, where SRA737 was well tolerated as a monotherapy. Additionally, in combination with low dose gemcitabine, SRA737 demonstrated promising activity in anogenital cancers, where there is significant unmet medical need.

Preclinical data in disease models also demonstrate the potential for SRA737 to be effective in combinations with Wee1 or PARP targeted therapies in ovarian cancers, and with low-dose gemcitabine and immunotherapy in lung and colon cancers.

The Company continues to believe that, based on preclinical and early clinical data, SRA737 holds strong promise for the treatment of cancer, particularly in combination settings and are confident in the potential of this molecule.

TYK2 Neuroscience

Sareum has recently conducted targeted preclinical studies to evaluate the potential of its TYK2/JAK1 compounds in central nervous system (CNS) indications. This work reflects growing scientific and commercial interest in the role of TYK2 inhibition in neuroinflammatory diseases such as multiple sclerosis, Parkinson's disease, and Alzheimer's disease - all areas with significant unmet medical need.

This programme is being conducted in collaboration with Receptor.AI, an Artificial Intelligence (AI) and technology-driven drug discovery company and is focused on accelerating the discovery and optimisation of blood-brain barrier (BBB)-permeable, isoform-selective TYK2/JAK1 inhibitors, with the goal of generating high-quality candidates suitable for preclinical development in these neuroinflammatory indications.

FINANCIAL REVIEW

The loss on ordinary activities after taxation for the year ended 30 June 2025 was £4.4 million (2024: loss of £3.4 million). Sareum ended the year to 30 June 2025 with cash at bank of £3.5 million (30 June 2024: £1.5 million). The Group received R&D tax credits of £1.2 million in the year (2024: £0.8 million).

During the year Sareum raised £4.5m after expenses from fund raises reflecting the positive views of the Group's progress and future prospects. These funds will support further development of SDC-1801, including completion of the Phase 2-enabling toxicology studies, which are expected to restart as soon as possible, to prepare the asset for Phase 2 clinical trials thereby enhancing its potential value.

SECTION 172(1) STATEMENT

The Directors have had regard for the matters set out in section 172(1)(a) -(f) of the Companies Act 2006s172(1)) when performing their duty under section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Group for the benefit of its members as a whole, while also having regard to the s172(1) matters referred to below:

- Likely consequences of any decision in the long term;
- Interests of the Group's employees;
- Need to foster the Group's business relationships with suppliers and other partners;
- Impact of the Group's operations on the community and environment;
- The Group's reputation for high standards of business conduct;
- Need to act fairly between members of the Group;
- Culture is consistent with the Company's objectives, strategy and business model; and
- The need for the Directors to keep their skill set up to date.

Engagement with stakeholders, and consideration of their respective interests in the Group's decision-making process, took place during the year as described below:

Board

Our Board consists of five Directors who hold monthly board meetings, remote where required, to ensure strategies are aligned. The Board is comprised of individuals with an appropriate mix of technical, financial, industry and corporate governance experience commensurate with the activities of the Group.

Shareholders

The Board keeps shareholders abreast of any developments and regular communication via RNS documents in line with the requirements of the AIM listing is maintained to ensure interests are aligned.

Employees

Our employees, consisting of Directors, continue to be kept abreast of any developments via board meetings. A number of employees are offered share options via our Company share option scheme, which keep them vested in the future success of the business.

Suppliers and other partners

Our suppliers and other partners are central to the continuation of our business. We work closely with our professional advisors, research and development service providers and other key suppliers promoting transparency and clear, on-going communication in order to continue building on our working relationships with them.

GROUP STRATEGIC REPORT (CONTINUED)

for the year ended 30 June 2024

Community and the environment

We value the importance of our impact on the environment and wider community and seek to operate as a Group in a way that minimises our carbon emissions. The Company's landlord provides reputable agents to recycle waste as appropriate.

Government and regulators

As a Group, we recognize the importance of continuous and open communication with regulatory bodies that govern our business. All our employees have been trained on anti-bribery, corruption and whistle blowing procedures to mitigate breaches in laws and regulations. We have regular communication throughout the year with HMRC to ensure compliance. We also seek support from our professional advisors to ensure that any key transactions of the business are compliant with necessary laws and regulations.

Key decisions

Key decisions are made by Directors via monthly Board meetings and communicated to relevant stakeholders in a timely manner.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Group are the following:

- the drug discovery programmes undertaken may fail due to fundamental scientific uncertainty;
- the Group may not complete sufficient commercial partnerships to create a sustainable business; and
- it may not be possible to raise sufficient funding to support the Group through to sustained profitability.

The Directors address these uncertainties by reviewing reports on scientific progress, business development and financial status at the monthly Board meetings and implementing alternative plans to reduce the risks if these are considered necessary.

The Board and management of Sareum continue to apply a rigorous approach to capital allocation to the development of our assets, particularly in the current challenging economic environment, and maintain a clear focus on bringing these medicines to patients as efficiently as possible, while maximising value for shareholders.

KEY PERFORMANCE INDICATORS

The Directors consider cash and spending on research and development to be the Group's key performance indicators. A budget is approved by the Board at the beginning of each financial year and performance is regularly monitored against budget with significant variances investigated.

FUTURE OUTLOOK

Sareum expects continued progress in the year ahead as it completes the Phase 2-enabling package for SDC-1801 and prepares for the start of patient trials. Positive Phase 1 data remains supportive of once-daily dosing, and toxicology studies are expected to restart as soon as possible as we work towards positioning the programme to move into the next stage of development. Recent additional data restores our confidence that the control group were not dosed with SDC-1801, and the findings are therefore considered unrelated to SDC-1801.

In parallel, the Company intends to progress the broader portfolio through targeted business development and partnerships. The Company is reviewing options for further development of SDC-1802, which we believe has attractive potential against certain haematological cancers. For SRA737, the new licence terms provide a significantly improved economic platform from which to determine the most effective routes to value creation. Post-period, the new TYK2 Neuroscience collaboration extended the relevance of Sareum's science into neuro-inflammatory disease, adding long-term optionality to the portfolio.

With strengthened intellectual property, prudent financial management and clear milestones ahead, the Company is confident of delivering further progress in the year to come.

On behalf of the Board:

CHW Birch FCA
Secretary
17 November 2025

REPORT OF THE DIRECTORS

for the year ended 30 June 2025

The Directors present their report together with the financial statements of the Company and the Group for the year ended 30 June 2025.

Directors

The Directors shown below have held office during the whole of the period from 1 July 2024 to the date of this report.

CHW Birch FCA
TJ Mitchell PhD
MJ Owen PhD
SB Parker DPhil
JC Reader PhD

Dividends

No dividends will be distributed for the year ended 30 June 2025 (2024: £nil).

Research and development

The principal activity of the Group is innovative research and development. It does this in its own right and in collaboration with other organisations. The costs relating to this, which have been written off during the year, amounted to £2.1 million (2024: £3.6 million).

Financial instruments

Details regarding the Group's use of financial instruments and their associated risks are given in note 16 to the consolidated financial statements.

Matters of strategic importance

The future outlook of the Group is considered to be a matter of strategic importance and included in the strategic report on page 10.

Streamlined energy and carbon reporting

The Directors confirm that Sareum Holdings plc and its subsidiary are exempt from the Streamlined Energy and Carbon Reporting requirements by virtue of being a low energy user and have consumed less than 40MwH during the year.

Statement of directors' responsibilities

The Directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards in accordance with the provisions of the Companies Act 2006.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards in accordance with the provisions of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Moore Kingston Smith LLP, formerly Shipleys LLP was appointed as auditor to the company by the Directors and, in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting. In accordance with normal practice the Directors will be authorised to determine the auditor's remuneration.

On behalf of the Board:

CHW Birch FCA
Secretary
17 November 2025

CORPORATE GOVERNANCE REPORT

Introduction
The Quoted Companies Alliance Corporate Governance Code (the "QCA Code") makes clear it is the prime responsibility of the Chairman to ensure the Company applies the QCA Code to the best advantage of all stakeholders.

The Group is an established operation with a clear business model and growth strategy. Our objective is to deliver targeted small molecule therapeutics to treat cancer and autoimmune diseases. We seek to build value through licensing the Group's candidates to international pharmaceutical and biotechnology companies at the preclinical or early clinical trials stage. Applying the appropriate corporate governance practices can only help achieve our goals.

A requirement of the QCA Code is to highlight any areas where we are not in compliance and to provide our reasons why not.

- An area of non-compliance is that Dr Michael Owen, Non-executive Director, and Mr Clive Birch, Non-executive Director, are beneficiaries under the Company's share option scheme.

- Participation by Non-executive Directors in share-based incentive arrangements, while against the provisions of the QCA Code, is common for companies with shares quoted on AIM. Michael and Clive provide the Company with a wealth of industry and corporate finance experience. Their participation in the share option scheme provides them with upside at no cash cost to the Company as the value of the Company increases. The arrangement suits the Company and Non-executive Directors and we do not currently intend to amend this arrangement.

- The QCA Code now requires all directors to be re-elected each year. Given the small size of the Company, and the nature of its business, this is deemed to be too much of an operating and commercial risk. As a result the Company continues to only require re-election of a maximum of two directors each year.

We trust that the result of our efforts to date provides stakeholders with access to the information they need and the confidence that the Board holds corporate governance compliance in the highest regard.

SB Parker DPhil
Executive Chairman
17 November 2025

The key corporate governance principles adopted by the Group are set out below.

Principle 1 – Establish a strategy and business model which promote long term value for shareholders

Our goals: As a public company we are focused on delivering value for our shareholders as well as new medicines to treat patients with unmet medical needs. Our goals are to build value by progressing our research programmes through early clinical development and generate revenues by licensing them to pharmaceutical company partners.

Vision: The Group's vision is, over the longer term, to build a rich pipeline of clinical-stage medicines with licence deals that produce self-sustaining revenues. Such medicines could have been discovered in house or be in licensed.

Purpose: The Group exists to discover and develop innovative drug candidates as new therapies for cancers and autoimmune diseases. Our drug development programmes aim to improve outcomes for patients with serious medical conditions and where current therapies are inadequate.

Strategy: Our strategy is to develop programmes to the early clinical stages to take advantage of the higher asset values associated with licensing programmes at these stages, but without us incurring the cost and risk of conducting late-stage clinical trials.

Principle 2 – Seek to understand and meet shareholder needs and expectations

Sareum is committed to open communication with all its shareholders. Copies of the Annual Report and Accounts are issued to all shareholders who have requested them, and copies are available on Sareum's website (www.sareum.com). Our interim results are also made available on the Company's website. We make full use of our website to provide information to shareholders and other interested parties.

Shareholders are given the opportunity to raise questions at the Annual General Meeting and the Directors are available after the meeting for further discussion with shareholders. In compliance with best practice, the numbers of proxy votes (for, against and vote withheld) logged on each resolution will be declared at all future general meetings and subsequently announced.

The Executive Chairman is primarily responsible for updating the market with developments. Meetings via the Company's broker are offered to investment institutions and private client brokers to discuss progress and financial performance immediately after the full year and interim results announcements. All the Directors are available for these meetings if requested. Feedback from these meetings is requested by the broker and provided to the Board to ensure the Directors have a balanced understanding of the issues and concerns of current and potential future shareholders.

This feedback is discussed at subsequent Board meetings and actions are taken as appropriate. Trading updates and press releases are issued as appropriate. Sareum also uses its Twitter account, @sareumplc, to share non-price-sensitive information related to its research and other activities to interested parties.

Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long term success

The Company regards its shareholders, employees, collaborators, potential licence partners, suppliers and advisers as its key stakeholders.

Management prioritises its relationships with collaborators and suppliers and effort is directed to ensuring they are managed appropriately. Regular reviews are undertaken to ensure any issues are addressed promptly.

The Executive Directors are in regular dialogue with collaborators and potential licence partners regarding the data requirements for a drug licence package. Feedback from these discussions is fed into future development plans as part of an ongoing process.

The Group's internal stakeholders are its employees. The Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of sex, gender reassignment, race, disability, sexual orientation, pregnancy and/or maternity, marital or civil partner status, religion or belief or age.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board has established a risk register relating to the Group's business. At least twice a year, the Audit and Risk Committee meets to consider the appropriateness of the risks identified and the mitigating action taken by management on a risk-by-risk basis focusing on those deemed most critical.

Principle 5 – Maintain the Board as a well-functioning, balanced team led by the Chairman

The Board, chaired by Dr Stephen Parker, comprises three Executive and two Non-executive Directors. It oversees and implements the Company's corporate governance programme. As Chairman, Stephen is responsible for the Company's approach to corporate governance and the application of the principles of the QCA Code. Further details pertaining to the Board and the roles carried out by each member are set out in the Governance section of the Annual Report and Accounts.

Each Board member commits sufficient time to fulfil their duties and obligations to the Board and the Company. They attend monthly Board meetings, join ad hoc Board calls and offer availability for consultation when needed

Detailed Board packs include information on business, technical and financial performance and are circulated ahead of Board meetings. Key issues are highlighted and explained, providing Board members with sufficient information to enable a relevant discussion in the Board meeting. The Board is supported by its Audit and Risk, Remuneration and Nominations Committees. Links to the terms of reference for each of the Board Committees can be found in the corporate governance section of the Company's website, www.sareum.com.

All Board members attended all Board meetings during the last year.

Principle 6 – Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities

The Executive Chairman believes that, as a whole, the Board has a suitable mix of skills and competencies covering all essential disciplines bringing a balanced perspective that is beneficial both strategically and operationally and will enable the Company to deliver its strategy. The Company is, however, looking to build on those skills through selective appointments. The Board consists of three Executive Directors and two Non-executive Directors, ranging in age from 58 to 74 years old.

The nature of the Group's business requires the Directors to keep their skillset up to date. The Directors attend training courses and conferences as appropriate in order to do this.

In addition to the support provided by the Company's retained professional advisers (nomad, broker, investor relations, lawyers and auditor), external consultants have been engaged to advise on a number of matters including clinical trials planning and intellectual property management.

Principle 7 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The assessment of the Board's performance has to date been largely focused on the achievement of the Group's strategic and financial objectives. Each Executive Board member is subject to an annual review by the Remuneration Committee based on the performance of the Group as a whole and their personal contribution. The outcome of these reviews feeds directly into the award of salary increases, bonuses and share options.

The Company also adopts annually an evaluation for Non-executive Director performance, although there is no current intention that such Non-executive Directors receive regular bonus payments. The performance of the Board as a whole may be judged in part by the attainment of financial measures including profit/loss for the year, research and development expenditure and cash at bank.

Each Director is required to offer themselves for re-election at least once every three years as per the Company's Articles of Association. The COO and CSO are currently the longest serving Board members, having been appointed in 2004. Board appointments are made after having completed due diligence and consultation with advisers.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

Sareum is a small, motivated team of professional people, which operates to high standards. These standards include a commitment to best practice in meeting the Company's social responsibilities.

The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of sex, gender reassignment, race, disability, sexual orientation, pregnancy and/or maternity, marital or civil partner status, religion or belief or age. In line with best practice, health and safety matters are discussed at each Board meeting.

The Group's environment and health and safety policies are as follows:

Environment

Sareum disposes of its waste products using reputable agents. The Group's landlord provides these agents to enable it to recycle its waste as appropriate.

Health and safety

The Group is proactive in considering the safety of staff, visitors and the public. It has had no notifiable safety incidents during the year and no working days were lost due to accidents.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Executive members of the Board have overall responsibility for managing the day-to-day operations of the Group and the Board as a whole is responsible for monitoring performance against the Group's goals and objectives. The Executive Chairman chairs the meeting and business, operational, technical and financial reports are provided by the Executive Chairman, COO, CSO and Company Secretary respectively and discussed by the Board and actions, as appropriate, are minuted and taken. Decisions concerning the day-to-day running of the Group are taken by the Executive team (and reported to the Board as appropriate), whilst decisions regarding strategic matters are taken at Board level.

The roles of the Audit and Risk Committee and the Remuneration and Nominations Committees are set out in the corporate governance section of the Company's website at www.sareum. com/investors/corporate-governance as well as in this report. The appropriateness of the Group's governance structures are continually reviewed as the Company evolves.

Principle 10 – Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company maintains a regular dialogue with stakeholders including shareholders to enable interested parties to make informed decisions about the Group and its performance. The Board believes that transparency in its dealings offers a level of comfort to stakeholders and an understanding that their views will be listened to.

The Board discloses the results of general meetings by way of announcement and discloses the proxy voting numbers to those attending the meetings. In future, in the event that a significant portion of voters have voted against a resolution, an explanation of what actions it intends to take to understand the reasons behind the vote will be included.

REMUNERATION COMMITTEE REPORT

The Company recognises and seeks to follow the QCA Code and, in line with the recommendations of the QCA Code, this report provides information to enable a greater level of understanding as to how remuneration is determined by the Board.

Key responsibilities

The Remuneration Committee of the Board is responsible for considering staff and directors' remuneration packages and makes its recommendations to the Board.

Its members are: MJ Owen PhD, CHW Birch FCA and SB Parker DPhil and it meets at least twice a year. Dr Parker attends the Remuneration Committee for all agenda items other than those where his remuneration is being discussed.

The Remuneration Committee assists the board of directors by proposing a remuneration policy and general guidelines for incentive remuneration for the executive management, as well as proposals on the targets for company-operated performance-related incentive programs.

These proposals establish the guidelines for the different components of remuneration, including fixed and variable remuneration, and the bonus and evaluation criteria in relation thereto.

The Remuneration Committee has the following principal responsibilities:

- preparing and presenting proposals to the board of directors on the base salaries (fixed remuneration) for executive management, including any annual increases.
- preparing and presenting proposals to the board of directors on incentive programmes (variable remuneration) for executive management, including bonuses and share options, and setting the targets (bonus levels and performance targets) for performance-related incentive programmes.
- preparing and presenting recommendations to the board of directors for incentive payments following evaluation of the achievement of the executive team against agreed annual objectives.

As the basis for any recommendations to the board of directors for base salary and the structure of performance-related incentive programmes, the Remuneration committee will use benchmarking data against equivalent UK/European biotech companies and seek external expert advice as appropriate.

Remuneration policy

Remuneration packages are designed to be competitive and to reward above average performance. At present, executive directors receive a total package comprising a mix of salary, death-in-service benefit, critical illness and medical cover and a pension contribution.

In addition, the directors are incentivised to deliver shareholder value via the operation of two share option schemes. These are as follows, and were set up following the recommendations of shareholder bodies, such as insurance companies, who advised on the number of options to issue and the criteria for vesting.

- an Inland Revenue approved (EMI) share option scheme (approved scheme); and
- an unapproved share option scheme (unapproved scheme), identical to the approved scheme.

Executive directors' service contracts

The three executive directors have executive service agreements with the Company dated 10 July 2024. The service agreements are subject to termination upon six months' notice being given by either party and are subject to standard terms in the event of termination.

The remuneration of the Directors for the year is summarised below:

	Salary	Bonus	Benefits	**Emoluments**	Pension	**Total 2025**	Total 2024
	£	£	£	**£**	£	**£**	£
Executive Directors							
TJ Mitchell PhD	**120,405**	30,000	2,019	**152,424**	7,070	**159,494**	207,271
SB Parker DPhil	**130,892**	–	–	**130,892**	–	**130,892**	99,535
JC Reader PhD	**200,675**	30,000	1,393	**232,068**	14,527	**246,595**	206,062
Non-executive Directors							
CHW Birch FCA	**27,500**	–	–	**27,500**	–	**27,500**	25,000
MJ Owen PhD	**22,500**	–	–	**22,500**	–	**22,500**	20,000
Total	**501,972**	60,000	3,412	**565,384**	21,597	**586,981**	557,868

REMUNERATION COMMITTEE REPORT (CONTINUED)

Pensions

The Group does not have a pension scheme but makes contributions to executive directors' personal pension schemes amounting to 6.375% of annual salary. In addition, those executive directors that so choose, contribute to their pension schemes via salary sacrifice, and the National Insurance savings made by the Group as a result of this arrangement are added to their contributions.

Share option schemes

In setting up the current share option schemes for employees, the Committee took into account what objectives would be value creating and offer the best chance of increasing shareholder return.

Non-executive directors

The two non-executive directors entered into letters of engagement dated 12 November 2018.

Changes during the year

Roles and working hours

As noted in last year's annual report, the following occurred with effect from 10 July 2024:

(i) Stephen Parker became executive chairman (previously non-executive chairman) and increased his proportion to 60% FTE; and
(ii) Tim Mitchell became part time COO (previously full time CEO) and reduced his proportion to 60% FTE.

Their salaries as at that date were adjusted to reflect these changes.

Salary

Following an extensive benchmarking exercise in conjunction with external advisors, salary increases of 10% for each of the three executive directors were awarded with effect from 1 January 2025. At the same time the annual salary payable to each of the non-executive directors was increased by £5,000. All these increases also reflected the fact that no salary increases had been awarded for some years.

Bonus

The company operates a bonus scheme for the COO and CSO which runs for the calendar year. Following a review of performance for the year ended 31 December 2024 a bonus payment of £30,000 was approved for each of them. A similar scheme is in place for the year ending 31 December 2025 with a payment of up to 50% of salary being payable in the event a number of objectives are met.

Share options

As part of the review of remuneration for the executive directors, a mix of EMI and unapproved share options were issued to them in December 2024 as shown below.

Name	New EMI options awarded	New unapproved options awarded
Tim Mitchell	445,000	755,000
Stephen Parker	–	1,200,000
John Reader	445,000	1,555,000

These vest when a number of objectives have been met, the earliest they could become exercisable is December 2027.

Details of the outstanding share options for each director are shown on the next page.

Share option table

The interests in the share option schemes at 30 June 2025, of the directors who served during the year, were as follows:

Director	Option scheme	Date granted	Exercise price (pence)	Number of shares under option	Percentage of issued share capital
TJ Mitchell PhD	EMI	11 March 2016	29.500	106,817	0.08%
	EMI	22 December 2016	40.000	125,000	0.09%
	EMI	22 December 2016	60.000	62,500	0.05%
	EMI	22 December 2016	80.000	62,500	0.05%
	Unapproved	19 December 2017	41.250	190,976	0.14%
	Unapproved	19 December 2017	61.875	95.488	0.07%
	Unapproved	19 December 2017	82.500	95,488	0.07%
	Unapproved	08 March 2019	35.000	236,333	0.18%
	Unapproved	08 March 2019	52.500	118,166	0.09%
	Unapproved	08 March 2019	70.000	118,166	0.09%
	EMI	13 December 2024	30,480	445,000	0.33%
	Unapproved	13 December 2024	30,480	755,000	0.56%
JC Reader PhD	EMI	11 March 2016	29.500	106,817	0.08%
	EMI	22 December 2016	40.000	125,000	0.09%
	EMI	22 December 2016	60.000	62,500	0.05%
	EMI	22 December 2016	80.000	62,500	0.05%
	Unapproved	19 December 2017	41.250	190,976	0.14%
	Unapproved	19 December 2017	61.875	95,488	0.07%
	Unapproved	19 December 2017	82.500	95,488	0.07%
	Unapproved	08 March 2019	35.000	236,333	0.18%
	Unapproved	08 March 2019	52.500	118,166	0.09%
	Unapproved	08 March 2019	70.000	118,166	0.09%
	EMI	13 December 2024	30.480	445,000	0.33%
	Unapproved	13 December 2024	30.480	1,555,000	1.16%
SB Parker DPhil	Unapproved	22 December 2016	40.000	100,000	0.07%
	Unapproved	22 December 2016	60.000	50,000	0.04%
	Unapproved	22 December 2016	80.000	50,000	0.04%
	Unapproved	19 December 2017	41.250	65,454	0.05%
	Unapproved	19 December 2017	61.875	32,727	0.02%
	Unapproved	19 December 2017	82.500	32,727	0.02%
	Unapproved	08 March 2019	35.000	81,000	0.06%
	Unapproved	08 March 2019	52.500	40,500	0.03%
	Unapproved	08 March 2019	70.000	40,500	0.03%
	Unapproved	13 December 2024	30.480	1,200,000	0.89%
CHW Birch FCA	Unapproved	08 March 2019	35.000	28,571	0.02%
	Unapproved	08 March 2019	52.500	14,285	0.01%
	Unapproved	08 March 2019	70.000	14,285	0.01%
MJ Owen PhD	Unapproved	08 March 2019	35.000	28,571	0.02%
	Unapproved	08 March 2019	52.500	14,285	0.01%
	Unapproved	08 March 2019	70.000	14,285	0.01%
				7,430,058	

The share price at 30 June 2025 was 16.0 pence and the range during the year was 11.25 pence to 45.0 pence.

REPORT OF THE INDEPENDENT AUDITOR

to the members of Sareum Holdings plc

Opinion

We have audited the financial statements of Sareum Holdings plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Approach to the audit including the scope of the parent company and group audits

The group, parent company and component company audits were all carried out by the group audit team. Our audit approach is to determine whether the financial statements contain any material misstatement or omission. A material misstatement or omission would be one that would lead the financial statements to present a view other than one that is true and fair. We plan and conduct our audit specifically to detect such misstatement and omission. We begin by determining which areas of the financial statements carry the greatest risk of this and direct our testing towards these. We also review the draft financial statements for reasonableness, taking into account past results, industry norms and recent developments in the business. Areas that do not meet our expectations are given closer attention in the course of our testing in order to explain the variance.

The balances in the financial statements are tested on a sample basis. We do not inspect every transaction but rather select a sample designed to give a representative view of the population, biased towards items that look large or unusual. Those areas that we consider to carry a high risk of misstatement are assigned a higher sample size than those we consider low risk. By adopting this approach, we seek to reduce the likelihood of failing to detect material misstatement or omission to as low a level as possible.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The list below is not a complete list of all risks identified by our audit.

Group level

Risk: Going concern (note 1)

There is a risk that Group cash flow forecasts do not support the going concern assertion applied in preparing the financial statements.

How the scope of our audit responded to the risk

We made enquiries of the Directors regarding how they have assessed going concern with particular attention paid to their future Group cash flow projections and the assumptions applied therein. We examined the cash flow projections, confirming the level of cash reserves held at the financial year end as a starting point and then reviewing the reasonableness of the expenditure forecast taking into account any planned changes to the level of expected R&D activity over the forecast period. We reviewed the future cash inflows including post year end share placements and R&D tax credit claims. We reviewed the going concern disclosures in the financial statements for consistency with the assertion applied. Based on the evidence obtained, we found the key assumptions applied in the Groups cash flow forecast model to be appropriate and the level of forecast cash reserves to be reasonable in support of the going concern assertion.

Risk Research & Development (R&D) (R&D spend £2.1million, 2024 £3.6million). Note 6

There is a risk that the judgements applied by the Directors in their accounting treatment of R&D expenditure is not appropriate where distinction is made as to whether to capitalise expenditure or continue to expense it through the Income Statement.

How the scope of our audit responded to the risk

We made enquiries of the Directors regarding the Groups R&D activities and reviewed their assumptions on whether any of the Research programmes could meet the definition of Development expenditure and be capitalised as an intangible asset.

Based on the evidence obtained, we found the key assumptions applied in the Directors assessment of R&D programme expenditure to be consistent with the accounting treatment and consistent with the Groups own financial limitations in taking their research programmes beyond the research phase.

Company level

Valuation of share options and warrants
Risk: (Share option reserve £0.4million, 2024 £0.3million / Warrants liability £1.6million, 2024 £nil). Notes 14, 17 and 24
There is a risk that the estimations and judgements applied in determining the fair value of share options and warrants existing at balance sheet date are not appropriate and could result in material misstatement.

How the scope of our audit responded to the risk
We made enquiries of the Directors regarding their fair value assumptions applied in determining the values of share options and warrants granted in the year and reviewed the accounting treatment of the costs associated with granting these financial instruments. We challenged the key variables applied within the valuation techniques to ensure reasonable. Based on the evidence obtained, we found the key assumptions made and applied within the fair value calculations and the accounting treatment thereof to be appropriate.

Risk: Impairment of investments (Investment in subsidiaries £0.7million, 2024 £0.3million). Note 11
There is a risk that the estimations and judgements applied in determining the carrying value of investment held in subsidiary undertakings is not appropriate and could give rise to material misstatement in the financial statements.

How the scope of our audit responded to the risk
We made enquiries of the Directors to gain an understanding of the basis of impairment of the investments held in subsidiary undertakings. We reviewed the impairment journals made in the reporting period and reviewed the carrying value of the investment against the net asset value of the underlying investments.

Based on the evidence obtained, we found the level of impairment applied to the investment in subsidiary undertakings to be reasonable.

All audit work to address the above risks was undertaken by the Group audit team and based on the procedures performed and conclusions drawn we have no concerns over the material accuracy of the financial statements in respect of the above.

Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the Financial Statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality
We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work. Due to the nature of the group and its activities, we concluded that the result before tax was likely to be the main focus for the users of the financial statements; accordingly, our calculation of materiality used the result before tax as the relevant benchmark. Based on our professional judgement, we determined overall group materiality to be £159,000 based on 5% of the result before tax (2024: £372,724 based on 8% of operating expenditure). On the basis of our risk assessments, together with our assessment of the overall control environment, we use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Our performance materiality was 50% (2024: 75%) of overall materiality, amounting to £79,500 (2024: £279,543). Group trivial amounts were determined to be 5% of overall materiality being £7,900 (2024: £18,636).

Due to the nature of the parent company and its activities, we concluded that operating expenditure was likely to be the main focus for the users of the financial statements; accordingly, our calculation of materiality used operating expenditure as the relevant benchmark. Based on our professional judgement, we determined parent company materiality to be £8,700 based on 2% of Operating expenditure (2024: £34,146 based on 8% of operating expenditure). On the basis of our risk assessments, together with our assessment of the overall control environment, we use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Our performance materiality was 50% (2024: 75%) of overall materiality, amounting to £4,350 (2024: £25,609). Parent company trivial amounts were determined to be 5% of overall materiality being £435 (2024: £1,707).

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included;

- We confirmed our understanding of Directors' going concern assessment process to understand and challenge the key assumptions made in their assessment;
- We agreed the 30 June 2025 Group cash balance included in the going concern assessment to the Groups year end balance;
- We critically assessed Directors' budgets and forecasts up to 31 October 2026. This included considering whether the cash inflow and outflow assumptions were consistent with our understanding of the business and its future spend outlook; and
- We evaluated the reasonableness of the assumptions used in these calculations and critically assessed the status of the Fundraising and R&D pipeline to obtain evidence of support for the forecast figures.

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

to the members of Sareum Holdings plc

We observed, based on the work performed as set out above, that the assumptions used by the group and parent company in preparing their cash flow forecasts and budgets were reasonable. We also concluded after performing sensitivity analysis on the forecast spend levels that Group cash reserves at balance sheet date were sufficient to cover budgeted expenditure requirements over the forecast period without recourse to additional fundraising.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page fifteen, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities . This description forms part of our Report of the Auditors.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company. Our approach was as follows:

- We obtained an understanding of the group's and parent company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the group's and parent company's financial statements to material misstatement from irregularities, including fraud, are instances of non-compliance with laws and regulations.
- Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; including enquiring to management as to any actual or potential litigations, claims, fraud or suspected fraud; review board minutes and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

to the members of Sareum Holdings plc

- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Richardson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP
Chartered Accountants and Statutory Auditor
6th Floor, 9 Appold Street, London EC2A 2AP

17 November 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2025

	Note	2025 £000	2024 £000
CONTINUING OPERATIONS			
Revenue		–	–
Administrative expenses		**(3,382)**	(4,596)
Share of profit/(loss) of associate		**2**	(60)
Other operating income	6	**–**	22
OPERATING LOSS		**(3,380)**	(4,634)
Finance income	5	**77**	32
Financing charge in respect of warrants granted	17	**(1,600)**	–
LOSS BEFORE TAXATION	6	**(4,903)**	(4,602)
Taxation	7	**465**	1,182
LOSS FOR THE YEAR		**(4,438)**	(3,420)
OTHER COMPREHENSIVE INCOME			
Exchange gains/(losses) arising on translation of foreign operations		**(70)**	6
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(4,508)**	(3,414)
Loss attributable to owners of the parent		**(4,438)**	(3,420)
Total comprehensive income attributable to owners of the parent		**(4,508)**	(3,414)
Basic and diluted loss per share expressed in pence per share	9	**(3.6)p**	(4.2)p

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

as at 30 June 2025

	Note	2025 £000	2024 £000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	**–**	–
Investment in associate	11	**–**	9
		–	9
CURRENT ASSETS			
Trade and other receivables	12	**684**	1,299
Cash and cash equivalents	13	**3,546**	1,459
		4,230	2,758
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**(1,953)**	(653)
NET CURRENT ASSETS		**2,277**	2,105
NET ASSETS		**2,277**	2,114
SHAREHOLDERS' EQUITY			
Called up share capital	17	**1,680**	1,349
Share premium	18	**29,020**	24,802
Share-based compensation reserve	18	**413**	312
Foreign exchange reserve	18	**(50)**	20
Retained earnings	18	**(28,786)**	(24,369)
TOTAL EQUITY		**2,277**	2,114

The financial statements were approved by the Board of Directors on 17 November 2025 and were signed on its behalf by:

SB Parker DPhil
Executive Chairman

The accompanying notes form part of these financial statements.

COMPANY BALANCE SHEET

as at 30 June 2025

	Note	2025 £000	2024 £000
ASSETS			
NON-CURRENT ASSETS			
Investments	11	**669**	339
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**(1,600)**	
NET (LIABILITIES)/ASSETS		**(931)**	339
SHAREHOLDERS' EQUITY			
Called up share capital	17	**1,680**	1,349
Share premium	18	**29,020**	24,802
Share-based compensation reserve	18	**413**	312
Retained earnings	18	**(32,044)**	(26,124)
TOTAL EQUITY		**(931)**	339

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The Company's loss for the financial year was £5.9m (2024: loss of £4.4m).

The financial statements were approved by the Board of Directors on 17 November 2025 and were signed on its behalf by:

SB Parker DPhil
Executive Chairman

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

	Called up share capital £000	Share premium £000	Share-based compensation reserve £000
BALANCE AT 1 JULY 2023	851	20,925	325
Issue of share capital	498	4,361	–
Costs of issue	–	(484)	–
Transfer for options exercised / expired	–	–	(13)
Total comprehensive income	–	–	–
BALANCE AT 30 JUNE 2024	1,349	24,802	312
Issue of share capital	331	4,370	–
Costs of issue	–	(152)	–
Charge for the year in respect of options granted	–	–	122
Transfer for options exercised / expired	–	–	(21)
Total comprehensive income	–	–	–
BALANCE AT 30 JUNE 2025	**1,680**	**29,020**	**413**

	Foreign exchange reserve £000	Retained earnings £000	**Total equity £000**
BALANCE AT 1 JULY 2023	14	(20,962)	**1,153**
Issue of share capital	–	–	**4,859**
Costs of issue	–	–	**(484)**
Transfer for options exercised / expired	–	13	**–**
Arising on consolidation	6	–	**6**
Total comprehensive income	–	(3,420)	**(3,420)**
BALANCE AT 30 JUNE 2024	20	(24,369)	**2,114**
Issue of share capital	–	–	**4,701**
Costs of issue	–	–	**(152)**
Charge for the year in respect of options granted	–	–	**122**
Transfer for options exercised / expired	–	21	**–**
Arising on consolidation	(70)	–	**(70)**
Total comprehensive income	–	(4,438)	**(4,438)**
BALANCE AT 30 JUNE 2025	**(50)**	**(28,786)**	**2,277**

The accompanying notes form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

	Called up share capital £000	Share premium £000	Share-based compensation reserve £000
BALANCE AT 1 JULY 2023	851	20,925	325
Issue of share capital	498	4,361	–
Costs of issue	–	(484)	–
Transfer for options exercised / expired	–	–	(13)
Total comprehensive income	–	–	–
BALANCE AT 30 JUNE 2024	1,349	24,802	312
Issue of share capital	331	4,370	–
Costs of issue	–	(152)	–
Transfer for options exercised / expired	–	–	(21)
Charge for the year in respect of options granted	–	–	122
Total comprehensive income	–	–	–
BALANCE AT 30 JUNE 2025	**1,680**	**29,020**	**413**

	Retained profits £000	**Total equity £000**
BALANCE AT 1 JULY 2023	(21,762)	**339**
Issue of share capital	–	**4,859**
Costs of issue	–	**(484)**
Transfer for options exercised / expired	13	**–**
Total comprehensive income	(4,375)	**(4,375)**
BALANCE AT 30 JUNE 2024	(26,124)	**339**
Issue of share capital	–	**4,701**
Costs of issue	–	**(152)**
Transfer for options exercised / expired	21	**–**
Charge for the year in respect of options granted	–	**122**
Total comprehensive income	(5,941)	**(5,941)**
BALANCE AT 30 JUNE 2025	**(32,044)**	**(931)**

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2025

	Note	2025 £000	2024 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	25	**(3,734)**	(4,739)
Tax received		**1,183**	820
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		**(2,551)**	(3,919)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		**–**	–
Investment from/(in) associate		**12**	(23)
Interest received		**77**	32
NET CASH INFLOW FROM INVESTING ACTIVITIES		**89**	9
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue		**4,701**	4,859
Costs of issue		**(152)**	(484)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**4,549**	4,375
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**2,087**	465
Cash and cash equivalents at beginning of year		**1,459**	994
CASH AND CASH EQUIVALENTS AT END OF YEAR		**3,546**	1,459

The accompanying notes form part of these financial statements.

COMPANY CASH FLOW STATEMENT

for the year ended 30 June 2025

	Note	2025 £000	2024 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	25	**(440)**	(408)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		**(440)**	(408)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in subsidiary		**–**	–
Received from/(advanced to) subsidiary		**(4,109)**	(3,967)
NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES		**(4,109)**	(3,967)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue		**4,701**	4,859
Costs of issue		**(152)**	(484)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**4,549**	4,375
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**–**	–
Cash and cash equivalents at beginning of year		**–**	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		**–**	–

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

1. Basis of preparation

The financial statements of Sareum Holdings plc ("the Company") have been prepared in accordance with UK-adopted international accounting standards, and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, with IFRIC interpretations.

The financial statements have been prepared under the historical cost convention.

Going concern

The Company made a loss after tax of £5.9m (2024: loss of £4.4m) and the Group made a loss after tax of £4.4m (2024: loss of £3.4m), as they continued to progress their research activities. These activities, and the related expenditure, are in line with the budgets previously set and are funded by regular cash investments.

The Directors consider that the cash held at the year-end, together with that received after the year end and projected to be received, will be sufficient for the Company and Group to meet its forecast expenditure for at least one year from the date of signing the financial statements. If there is a shortfall the Directors will implement cost savings to ensure that the cash resources last for this period of time.

For these reasons the financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and an associate, together, "the Group") made up to 30 June each year. Control is achieved where the Company has the power to govern the financial and operating policies of another entity or business, so as to obtain benefits from its activities. The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Inter-company transactions and balances between group companies are eliminated on consolidation.

2. Statutory information

Sareum Holdings plc is a public limited company, registered in England and Wales. The Company's registered number, registered office address and principal place of business, can be found on the Company Information on the inside front cover.

3. Accounting policies

The principal accounting policies applied are set out below.

Property, plant and equipment

Depreciation is provided on a straight-line basis over three years in order to write off each asset over its estimated useful life.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Details are shown in note 16.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

Pension contributions

The Group does not operate a pension scheme for the benefit of its employees but instead makes contributions to their personal pension plans. The contributions due for the period are charged to the profit and loss account.

Employee share schemes

The Group has in place a share option scheme for employees, which allows them to acquire shares in the Company. Equity settled share-based payments are measured at fair value at the date of grant. The fair value of options granted is recognised as an expense spread over the estimated vesting period of the options granted. Fair value is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Research and development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

All expenditure incurred by the Group to date has been for research and hence expensed.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated and reported according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date. The Group is able to claim research and development tax credits in the UK and Australia in respect of its research activities.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Revenue recognition
Revenues from licensing agreements are recognised in line with the performance obligations being met, as outlined in the terms of the agreement.

Critical accounting estimates and areas of judgement
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions that have the most significant effects on the carrying amounts of the assets and liabilities in the financial information are considered to be research and development costs, valuation of the carrying value of investments in subsidiaries and accounting for share warrants and equity settled share-based payments. There are separate accounting policies for each of these which the Directors review for appropriateness at each reporting period. Specialist external accounting support is used in the more complex areas to aid the Directors in making appropriate judgements.

Warrants
The Company issues share warrants that entitle holders to subscribe for equity instruments at a future date. Their fair value at the balance sheet date is determined using appropriate valuation techniques (such as the Black-Scholes model or other option pricing methodologies), Company share price volatility, interest rates and expected exercise dates, and considering the specific terms of the instrument and prevailing market conditions. The financial liabilities are presented within liabilities on the statement of financial position. Changes in fair value are in the period are recognised within comprehensive income.

Where the contractual terms of the warrants do not meet the "fixed-for-fixed" criterion, meaning the warrants may be settled in a variable number of shares or at a variable exercise price, they are classified as financial liabilities in accordance with 'IAS 32: Financial Instruments'.

Investment in associates
An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the Investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the associate's net assets with recognition in the profit and loss of the share of the associate's profit or loss.

Investment in subsidiary undertakings
A subsidiary undertaking is an investment where the Company has control. The Company controls an investment if all three of the following elements are present: power over the investment, exposure to variable returns and the ability of the Company to use its power to affect those variable returns. Such investments are valued at the lower of original cost or the current value, the latter is assessed in line with the impairment accounting policy set out below.

Impairment of assets
At the date of the statement of financial position, the Company and Group each reviews the carrying amounts of investments, inter-company balances and other assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

New or revised accounting standards
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Company or the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Employees and directors

	2025 £000	2024 £000
DIRECTORS' REMUNERATION		
Emoluments	**565**	530
Pension contributions to money purchase schemes	**22**	28
Remuneration of the highest paid Director		
	£000	£000
Emoluments	**232**	193
Pension contributions to money purchase schemes	**14**	14

There are 2 (2024: 2) Directors who are members of third party held money purchase retirement benefits schemes.

	Number	Number
GROUP		
AVERAGE MONTHLY NUMBER OF PERSONS EMPLOYED		
Office and management	**4**	4
Research	**1**	1
	5	5
	£000	£000
STAFF COSTS DURING THE YEAR		
Wages and salaries	**565**	530
Social security costs	**58**	59
Pension costs	**22**	28
	645	617

The Directors comprise the key management personnel of the Company. All Directors and staff are employed and paid by the subsidiary, Sareum Limited.

5. Net finance income

	2025 £000	2024 £000
Deposit account interest	**77**	32

6. Loss before income tax

	2025 £000	2024 £000
The loss before income tax is stated after charging/(crediting):		
Depreciation – owned assets	**–**	1
Research and development	**2,072**	3,591
Other operating leases	**21**	21
Charge for the year in respect of options granted	**122**	–
Foreign exchange differences	**(20)**	(37)
Auditor's remuneration	**14**	17
Auditor's remuneration for non-audit work:		
– taxation services	**–**	–
– other work	**–**	–

7. Income tax

	2025 £000	2024 £000
CURRENT TAX		
Adjustment to prior years	**–**	(3)
Overseas taxation credit	**99**	1,031
UK corporation tax credit on losses for the period	**366**	154
	465	1,182

The credit for the year can be reconciled to the accounting loss as follows:

	2025 £000	2024 £000
Loss before tax	**(4,903)**	(4,602)
Notional tax credit at average rate of 25% (2024: 25%)	**1,226**	1,150
Effects of:		
Expenses not deductible for tax purposes	**(474)**	(44)
Adjustments to tax charge in respect of previous periods	**–**	(3)
Other timing differences	**(32)**	(629)
Unutilised tax losses	**(381)**	(271)
Losses surrendered for research and development tax credits	**(339)**	(206)
Research and development tax credits claimed	**465**	1,185
Actual current tax credit in the year	**465**	1,182

The tax rate of 25% used above is the main corporation tax rate applicable in the United Kingdom.

A potential deferred tax asset as at 30 June 2025 of £3.6m (2024: £3.2m) calculated using the expected corporation tax rate of 25% (2024: 25%), has not been recognised, as there remains a significant degree of uncertainty that the Group will make sufficient profits in the foreseeable future to justify recognition.

8. Loss of parent company

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The Company's loss for the financial year was £5.9 million (2024: loss of £4.4 million).

The loss represents costs of £0.3 m (2024: £0.4 m) associated with the Company's operating costs and obligations to maintain its AIM listing, £0.1m (2024: £nil) as a charge for the options issued in the year, £1.6m (2024: £nil) as a charge for warrants issued in the year and an increase of £3.9m (2024: £4.0m) in respect of impairments of amounts invested in and owed by Group undertakings.

9. Earnings per share

	2025	2024
The calculation of loss per share is based on the following data:		
Loss on ordinary activities after tax	**£4,438,000**	£3,420,000
Weighted average number of shares in issue	**122,729,864**	80,992,566
Basic and diluted loss per share (pence)	**(3.6)**	(4.2)

As the Group has generated a loss for the period, there is no dilutive effect in respect of share options and warrants as detailed in notes 17 and 24.

10. Property, plant and equipment

	Fixtures and computers £000
COST	
At 1 July 2024 and 30 June 2025	**13**
DEPRECIATION	
At 1 July 2024 and 30 June 2025	13
Charge for the year	–
At 30 June 2025	**13**
CARRYING AMOUNT	
At 30 June 2024	–
At 30 June 2025	**–**

11. Investments

GROUP

	Interest in associate £000
COST	
At 1 July 2024	1,240
Received (see below)	(11)
Amount written off in year	(1,229)
At 30 June 2025	**–**
PROVISION FOR IMPAIRMENT	
At 1 July 2024	1,231
Released in year	(1,231)
At 30 June 2025	**–**
NET BOOK VALUE	
At 30 June 2024	9
At 30 June 2025	**–**

The interest in associate represented the investment by the Company in the partnership with CPF to advance the CHK1 programme. The underlying assets were transferred back to the Company in December 2024 for a net payment of £11,000 and the partnership was wound up.

COMPANY

	Interest in subsidiaries £000
COST	
At 1 July 2024	843
Additions	–
At 30 June 2025	**843**
PROVISION FOR IMPAIRMENT	
At 1 July 2024	504
Released in year	(330)
At 30 June 2025	**(174)**
NET BOOK VALUE	
At 30 June 2024	339
At 30 June 2025	**669**

At the balance sheet date the Company owned 100% of the issued ordinary share capital of:

(i) Sareum Limited: incorporated in England and Wales, its registered office and principal place of business is Unit 2a, Langford Arch, London Road, Pampisford, Cambridge, Cambridgeshire, CB22 3FX.

(ii) Sareum Australia Pty Limited: incorporated in Australia, its registered office and principal place of business is Level 17, HWT Tower, 40 City Road, Southbank.

12. Trade and other receivables

	GROUP	
	2025 £000	2024 £000
Amounts falling due within one year:		
Corporation tax receivable	**462**	1,180
Other taxation receivable	**121**	41
Prepayments and accrued income	**101**	78
	684	1,299

	COMPANY	
	2025 £000	2024 £000
Amounts falling due within one year:		
Amounts owed by subsidiaries	**23,942**	21,734
Provision for impairment	**(23,942)**	(21,734)
	–	–

The amount owed by subsidiaries is considered a short term recoverable as it attracts no interest and has no contractual repayment terms. The Directors have considered the recoverability of the amounts and have made provision for the full value of the debt.

13. Cash and cash equivalents

	GROUP	
	2025 £000	2024 £000
Bank deposit accounts	**3,546**	1,459

The Company had no cash and cash equivalents at the year end date.

14. Trade and other payables

	GROUP	
	2025 £000	2024 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	**198**	542
Social security and other taxes	**23**	19
Other creditors	**–**	35
Share warrant liabilities (see note 17)	**1,600**	–
Accrued expenses	**132**	57
	1,953	653

The Company had no creditors outstanding at the year end date.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit term agreed with suppliers is 30 days and payment is generally made within the agreed terms.

15. Leasing agreements

The Company has not applied IFRS 16 as the only property in the Group is a lease on a small office occupied by Sareum Limited. This expires in December 2026 and the remaining rent payments of £22,000 to that date are not material to the financial statements.

16. Financial instruments

The Group's principal financial instruments are trade and other receivables, trade and other payables and cash. The main purpose of these financial instruments is to finance the Group's ongoing operational requirements. The Group does not trade in derivative financial instruments. These are all accounted for in accordance with UK adopted international accounting standards.

The major financial risks faced by the Group, which remained unchanged throughout the year, are interest rate risk, foreign exchange risk credit risk and liquidity risk. Policies for the management of these and other risks are shown below and have been consistently applied.

Market risks

Interest rate risk

The Group is exposed to interest rate risk as cash balances in excess of immediate needs are placed on short term deposit. The Group seeks to both manage this risk, and optimise the interest rates received, by continuously monitoring those available.

Foreign exchange risk

The Group's current activities principally expose it to fluctuations in the exchange rate for the Australian dollar, a currency in which some funds are currently held.

Credit risk

The Group has limited exposure to credit risk other than with the financial institutions with which funds are deposited. These are all held with strongly rated institutions.

Non-market risks

Liquidity risk

The Board has responsibility for reducing exposure to liquidity risk and ensures that adequate funds are available to meet anticipated requirements from existing operations by a process of continual monitoring. The Group's cash flow forecasts indicate it comfortably has sufficient funds to complete its current clinical trial activities and will seek additional funds for future phases at that time.

The value of the Group's financial instruments is not considered to be materially sensitive to the above market and non-market risks and therefore no sensitivity analysis has been provided.

The Group's financial instruments are accounted for as follows:

	2025 £000	2024 £000
Fair value		
Investment in associate	**–**	9
Warrant liabilities	**1,600**	–
Cost		
Cash and cash equivalents	**3,546**	1,459
Trade and other receivables	**684**	1,299
Trade and other payables excluding warrant liabilities	**353**	653

The Company's financial instruments are accounted for as follows:

	2025 £000	2024 £000
Fair value		
Investments	**339**	339
Intercompany balances	**–**	–
Warrant liabilities	**1,600**	–

17. Share capital

	2025 £000	2024 £000
CALLED UP, ALLOTTED AND FULLY PAID		
134,411,893 (2024: 107,945,783) Ordinary Shares of 1.25p each	**1,680**	1,349

The Ordinary Shares carry equal rights in respect of voting at a general meeting of shareholders, payment of dividends and return of assets in the event of a winding up.

During the year the following share issues took place, all were of Ordinary Shares of 1.25 pence:

(i) On 11 October 2024 11,820,000 were issued to individuals and institutions at a price of 20 pence per share raising £2,364,000 before expenses.
(ii) On 21 October 2024 4,444,444 were issued to individuals and institutions at a price of 22.5 pence per share raising £1,000,000 before expenses.
(iii) On 21 October 2024 111,111 were issued to advisors in lieu of payment for advisory fees of £25,000.
(iv) On 21 October 2024 425,000 were issued to advisors in lieu of payment for advisory fees of £85,000.
(v) On 16 December 2024 159,091 were issued to institutions in respect of the exercise of warrants at a price of 22.5 pence per share raising £36,000 before expenses and 22,000 were issued to advisors in lieu of payment for advisory fees of £5,000.
(vi) On 13 March 2025 8,560,000 were issued to individuals and institutions at a price of 12.5 pence per share raising £1,070,000 before expenses.
(vii) On 24 April 2025 924.242 were issued to institutions in respect of the exercise of warrants at a price of 12.5 pence per share raising £116,000 before expenses.

Details of share options can be found in note 24 to the financial statements, Share-Based Payment Transactions.

Warrants
In October 2024 alongside the fund raises in (i) and (ii) above, warrants granting the holders a right to acquire 16,264,444 Ordinary Shares at 20 pence and 22.5 pence were issued. As indicated in (v) and (vii) above, 1,083,333 were exercised leaving 15,181,111 outstanding at the balance sheet date. The exercise price for these can be re-based in the event a subsequent fund raise takes place at a lower price and, as a result, the exercise price for all outstanding warrants was re-based to 12.5 pence following the share issue in (vi) above.

In line with the Company's accounting policy all outstanding warrants were re-valued at the year end and a charge of £1.6m was recognised in the profit and loss account and as a liability. These entries will be reversed in future periods if the warrants are subsequently exercised.

The fair value was estimated using the Black-Scholes model. The key data and assumptions used were:

Date of grant	11 October 2024	21 October 2024
Share price - pence	20.0	22.5
Exercise price - pence	12.5	12.5
Volatility	77%	77%
Time until maturity - years	4.3	4.3
Risk free rate of interest	4.3%	4.3%
Expected dividend yield	Nil	Nil
Fair value - pence	10.5	10.5

18. Reserves

Reserve	Description and purpose
Share capital	Amount of the contributions made by shareholders in return for the issue of shares.
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	Cumulative net gains and losses recognised in the Consolidated and the Company Balance Sheet.
Foreign exchange	Arising on consolidation of the overseas subsidiary.
Share-based compensation reserve	Cumulative fair value of share options granted and recognised as an expense in the Income Statement.

Details of movements in each reserve are set out in the Consolidated Statement of Changes in Equity.

19. Post balance sheet events

There were no post balance sheet events to report.

20. Pension commitments

The Group makes contributions to its employees' own personal pension schemes. The contributions for the period of £21,000 (2024: £28,000) were charged to the profit and loss account. At the balance sheet date contributions of £nil (2024: £4,000) were owed and are included in creditors.

21. Contingent liabilities

There are no contingent liabilities (2024: £nil).

22. Related party disclosures

Disclosure regarding the remuneration of key management personnel is given in note 4, Employees and Directors.

Transactions between the Company and its subsidiaries, Sareum Limited and Sareum Australia Pty Limited, which are related parties, have been eliminated on consolidation. The ultimate holding company of the Group is Sareum Holdings plc. During the year the Company continued to provide interest free loans to Sareum Limited and Sareum Australia Pty Limited, further details of which can be found in note 12 to the financial statements.

23. Controlling party

The Company does not currently have an ultimate controlling party and did not have one in this reporting year or the preceding one.

Details of the share options outstanding during the year are as follows:

24. Share-based payment transactions

The Group operates a share option scheme under the Enterprise Management Incentive Scheme (EMI) for employees of the Group and it also operates an unapproved share option scheme. If the options under either scheme remain unexercised after a period of between five and ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

	Number of share options 2025	**Weighted average exercise price (pence) 2025**	Number of share options 2024	Weighted average exercise price (pence) 2024
Outstanding at 1July	**3,317,992**	**48.36**	3,508,072	47.37
Granted during the period	**4,400,000**	**30.48**	–	–
Expired during the period	**(287,934)**	**(21.25)**	–	–
Exercised during the period	**–**	**–**	(190,080)	(30.00)
Outstanding at 30 June	**7,430,058**	**38.82**	3,317,992	48.36
Exercisable at 30 June	**2,979,649**	**51.32**	3,192,601	49.29

On 25 November 2024 287,934 options expired. On 13 December 2024, 4,400,000 options (890,000 under the EMI scheme and 3,510,000 under the unapproved scheme) were issued to the Directors at an exercise price of 30.48 pence.

No options were forfeited during the periods covered by the tables above.

The options outstanding at 30 June 2025 had a weighted average remaining contractual life of 3 years and 4 months (30 June 2024: 4 years and 1 month). The options outstanding but not exercisable at 30 June 2025 and 30 June 2024 vest subject to pre-determined performance criteria.

Fair value calculation

The fair value was estimated using the Black-Scholes model. The key data and assumptions used were:

Date of grant	Mar 2016	Dec 2016	Dec 2017	Mar 2019	Dec 2024
Share price - pence	29.5	37.5	41.25	34.1	26.5
Exercise price - pence	29.5	*	*	*	30.48
Volatility	50%	50%	50%	50%	94%
Time until maturity - years	three	three	three	three	three
Risk free rate of interest	1%	1%	1%	1%	4.1%
Expected dividend yield	nil	nil	nil	nil	nil

* the share options that were granted in December 2016 were issued with exercise prices of 40 pence, 60 pence and 80 pence; those granted in December 2017 were issued with exercise prices of 41.25 pence, 61.875 pence and 82.5 pence; and those granted in March 2019 were issued with exercise prices of 35 pence, 52.5 pence and 70 pence.

Volatility for the options granted is based on share price performance for companies operating in a similar field.

The weighted average fair value of the share options outstanding at 30 June 2025 was 13.03 pence per share (2024: 9.26 pence per share). A fair value charge of £0.1m has been provided in respect of share options issued in the year (2024: £nil).

25. Reconciliation of loss before income tax to cash generated from operations

GROUP

	2025 £000	2024 £000
Operating loss from continuing operations	**(4,903)**	(4,602)
Adjustments for:		
– Depreciation	**–**	1
– Share of loss of associate	**(2)**	60
– Charge for the year in respect of options granted	**1,600**	–
– Financing change re warrants issued	**122**	–
– Foreign exchange differences	**(70)**	5
– Finance income	**(77)**	(32)
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL	**(3,330)**	(4,568)
(Increase)/decrease in receivables	**(104)**	42
Increase in payables	**(300)**	(213)
CASH USED IN OPERATIONS	**(3,734)**	(4,739)

COMPANY

	2025 £000	2024 £000
Operating profit/(loss) from continuing operations	**(5,940)**	(4,375)
Adjustments for:		
– Provision for amounts invested in or due from subsidiary	**3,900**	3,948
– Charge for the year in respect of options granted	**1,600**	–
– Foreign exchange differences	**–**	19
NET CASH GENERATED USED IN OPERATIONS	**(440)**	(408)

26. Reconciliation cash and cash equivalents

The amounts disclosed on the Cash Flow Statements in respect of cash and cash equivalents are in respect of these Balance Sheet amounts which comprise bank balances only:

	GROUP		COMPANY	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Cash and cash equivalents	**3,546**	1,459	**–**	–

27. Capital risk management

The Group manages its capital to ensure that the Group and its subsidiary companies will be able to continue as going concerns. The capital structure of the Group consists of equity, comprising issued share capital and reserves as disclosed in notes 17 and 18, and cash and cash equivalents.

Sareum Holdings plc
Unit 2a, Langford Arch
London Road
Pampisford
Cambridge
Cambridgeshire
CB22 3FX