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## **Sareum Holdings PLC**

("Sareum" or the "Company")

### **Equity Fundraise**

**Cambridge, UK, 28 March 2024-** Sareum Holdings plc (AIM: SAR), a clinical-stage biotechnology company developing next-generation kinase inhibitors for autoimmune disease and cancer, announces that it has completed a conditional fundraise of up to £1.5 million (before expenses), via the issue of a total of up to 15,000,000 new ordinary shares of 1.25 pence each in the capital of the Company ("**Ordinary Shares**") at a price of 10 pence per new Ordinary Share (the "**Placing Price**") (the "**Fundraise**").

The Fundraise will comprise the issue, at the Placing Price, of:

- 9,550,000 new Ordinary Shares via a placing (the "**Placing Shares**") through the Company's broker, Hybridan LLP (the "**Placing**");
- up to 2,255,000 new Ordinary Shares via a direct subscription (the "**Subscription Shares**") by certain high net worth individuals (the "**Subscription**");
- 195,000 new Ordinary Shares via a subscription by certain Directors of the Company (the "**Director Subscription**"); and
- up to 3,000,000 new Ordinary Shares via a retail offering (the "**WRAP Retail Offer**") to the Company's existing shareholders, which will be launched shortly, to raise up to £300,000.

In addition, the Company will issue, based on the Placing Price, 576,698 new Ordinary Shares in lieu of amounts owed to certain Directors from historically deferred salaries (the "**Salary Conversion Shares**") and 450,000 new Ordinary Shares to certain advisers to settle amounts due in respect of professional fees (the "**Adviser Fee Shares**").

As a result of the Fundraise, 1,106,986 warrants over new Ordinary Shares that have been issued to RiverFort Global Opportunities PCC Ltd ("**Riverfort**") as part of the drawdowns to date under the Equity Prepayment Facility (as announced on 3 August 2023), have had their exercise price rebased to the Placing Price in accordance with the terms of the agreement entered into at the time of the Equity Prepayment Facility. The Company does not intend to make any further withdrawals pursuant to the Equity Prepayment Facility with RiverFort.

### **Use of Proceeds and Cash Preservation**

The net proceeds from the Fundraise are intended to be used by the Company to complete Phase 1a clinical studies on its SDC-1801 TYK2/JAK1 inhibitor ("**Phase 1a**") and, together with the receipt of anticipated R&D tax credits in the amount of £0.7 million which is expected in September 2024, for general working capital purposes.

Furthermore, as part of the Company's ongoing steps to minimise its cash utilisation, in addition to the Salary Conversion, the Directors have agreed to defer a portion of their salaries going forward, so as to ensure the completion of Phase 1a clinical trial can be achieved, with topline data from the trial expected in Q2 2024.

#### **Director Subscription, Salary Conversion and Related Party Transactions**

Pursuant to the Director Subscription, Tim Mitchell, CEO, and Clive Birch, Non-Executive Director, intend to participate in the Fundraise, via direct subscriptions of £5,000 and £4,500 respectively at the Placing Price, and Stephen Parker, Chairman, will subscribe for £10,000 via the WRAP Retail Offer at the Placing Price. In addition, as noted above, certain Directors will receive Salary Conversion Shares.

Following the issue of the shares pursuant to the Director Subscription and the issue of the Salary Conversion Shares, the Directors' interests in the Company will be as follows:

<b>Director</b>	<b>Current Shareholding</b>	<b>% of issued share capital</b>	<b>Salary Conversion Shares</b>	<b>Director Subscription Shares</b>	<b>Total following Fundraise</b>
Tim Mitchell*	1,032,561	1.44	221,359	50,000	1,303,920
John Reader*	1,077,111	1.50	221,359	-	1,298,470
Stephen Parker*	116,158	0.16	104,854	100,000	321,012
Clive Birch	44,597	0.06	29,126	45,000	118,723
Michael Owen	10,976	0.02	-	-	10,976

*\* Includes shareholding by their spouses*

Directors of the Company are classified as related parties under the AIM Rules for Companies and their participation in the Director Subscription element of the Fundraising and the issue of Salary Conversion Shares to Directors therefore constitute related party transactions pursuant to Rule 13 of the AIM Rules.

Accordingly, Michael Owen, being the sole independent director, considers, having consulted with Strand Hanson Limited, the Company's Nominated Adviser, that the terms of the abovementioned Directors' participation in the Director Subscription and the issue of the Salary Conversion Shares to certain Directors are fair and reasonable insofar as the Company's shareholders are concerned.

#### **Retail Offering**

The Company will be shortly launching a retail offer to its existing shareholders via the Winterflood Retail Access Platform ("**WRAP**") to raise up to £300,000 (before expenses), through the issue of up to 3,000,000 new Ordinary Shares at the Placing Price (the "**WRAP Retail Offer**"). The proceeds of the WRAP Retail Offer will be utilised in the same way as the proceeds of the Fundraise. A further announcement will be made by the Company in due course regarding the WRAP Retail Offer and its terms and conditions. The WRAP Retail Offer is expected to close at 12 noon on 2 April 2024.

#### **Admission and Total Voting Rights**

Completion of the Placing is conditional, *inter alia*, on receipt by the Company of a minimum of £205,000 under the Subscription prior to 4 April 2024 and admission of the new Ordinary Shares to be issued pursuant to the Fundraising (the "**Fundraise Shares**") to trading on AIM ("Admission") by 8.00 a.m. on 5 April 2024 (or such later time as the Company and Hybridan LLP may agree, being not later than 8.30 a.m. on 30 April 2024).

Application will be made for the Fundraise Shares to be admitted to trading on AIM and dealing is expected to commence on 5 April 2024. A further announcement regarding the enlarged share capital following the Fundraise for the purposes of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules will be made following completion of the WRAP Retail Offer.

- Ends -

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**About Sareum**

Sareum Holdings (AIM:SAR) is a clinical-stage biotechnology company developing next generation kinase inhibitors for autoimmune disease and cancer.

The Company is focused on developing next generation small molecules which modify the activity of the JAK kinase family and have best-in-class potential. Its lead candidate, SDC-1801, simultaneously inhibits TYK2 and JAK1. SDC-1801 is a potential treatment for a range of autoimmune diseases and has entered Phase 1a/b clinical development with an initial focus on psoriasis.

Sareum is also developing SDC-1802, a TYK2/JAK1 inhibitor with a potential application for cancer immunotherapy.

Sareum Holdings plc is based in Cambridge, UK, and is listed on the AIM market of the London Stock Exchange, trading under the ticker SAR. For further information, please visit the Company's website at [www.sareum.com](http://www.sareum.com)

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Any indication in this Announcement of the price at which the Ordinary Shares have been bought or sold in

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Each of Strand Hanson Limited and Hybridan LLP, both of which are authorised and regulated in the United Kingdom by the FCA, is acting for the Company and for no one else in connection with the Fundraise and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Strand Hanson Limited and Hybridan LLP respectively or for providing advice in relation to the Fundraise Shares, or any other matters referred to in this Announcement.

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The Fundraise Shares to be issued pursuant to the Fundraise will not be admitted to trading on any stock exchange other than to trading on AIM, being the market of that name operated by the London Stock Exchange.

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#### UK Product Governance Requirements

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Rules"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook ("COBS"); and (b) eligible for distribution through all permitted distribution channels (the "UK Target Market Assessment"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Hybridan LLP will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A, respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own UK target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

#### EU Product Governance Requirements

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For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

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