RNS Number : 7894H
Sareum Holdings PLC
11 October 2024

Sareum Holdings PLC

("**Sareum**" or the "**Company**")

Subscription to raise £2,364,000

Proceeds to fund preparation of SDC-1801 for Phase 2 studies

Update on 1801 trial progress

Cambridge, UK, 11 October 2024- Sareum Holdings plc (AIM: SAR), a clinical-stage biotechnology company developing next-generation kinase inhibitors for autoimmune disease and cancer, is pleased to announce that it has completed a fundraise of £2.364 million (before expenses), from certain high net worth individuals, corporates and an institution, via a subscription for a total of 11,820,000 new ordinary shares of 1.25 pence each in the capital of the Company ("**Ordinary Shares**") at a price of 20 pence per new Ordinary Share (the "**Subscription Price**") (the "**Subscription**"). This funding, alongside a A1.9 million (c. £1 million) tax credit received on 8th October 2024, from Australia for running the Phase 1 clinical development of the Company's lead candidate SDC-1801, will enable the Company to conduct further development of SDC-1801, including longer-term toxicology studies, to prepare the asset for Phase 2 clinical trials thereby enhancing its potential value.

Under the terms of the Subscription, each subscriber will also be issued one five-year warrant, exercisable at the Subscription Price, for every Subscription Share issued (the "**Subscription Warrants**"). The Subscription Price represents a discount of approximately 27 per cent. to the closing middle market price for Sareum shares on 10th October 2024. In the event that the Company completes a future equity fundraise while the warrants remain exercisable at a price lower than 20p per new Ordinary Share, the exercise price of the unexercised Subscription Warrants will be automatically rebased to an exercise price equivalent to such lower issue price.

Use of funds and Trial Progress

The net funds will be utilised by the Company to further develop its lead candidate SDC-1801, a dual inhibitor of JAK family kinases TYK2 and JAK1, culminating in longer-term toxicology studies required to support Phase 2 clinical trials in patients. Successful completion of such studies would represent a significant milestone in advancing SDC-1801 towards Phase 2 readiness, building upon the highly encouraging results from the recently completed Phase 1 clinical trial.

The Phase 1 trial of SDC-1801, which concluded in July 2024, demonstrated a favourable safety profile and achieved blood plasma levels significantly exceeding the predicted therapeutic exposure, with a long half-life of up to 20 hours. No serious adverse events attributable to SDC-1801 were observed.

Based on the unblinded data now available, the Company is pleased to report that the frequency of adverse events (all mild or moderate) was similar in the active and placebo groups. No clinically significant effects were observed on any component of blood (including red blood cells, haemoglobin, reticulocytes, platelets or neutrophils) which have been affected by earlier generation JAK inhibitors.

Analysis of blood samples from subjects who received SDC-1801 for 10 days in the multiple ascending dose cohorts demonstrated clear, dose responsive, reductions in three biomarkers of JAK1 and/or TYK2 activity. This provides strong evidence that safe blood levels of SDC-1801 were able to significantly inhibit major inflammatory pathways.

The planned toxicology studies are designed to further validate the safety and tolerability of SDC-1801 over an extended period, providing essential data for regulatory submissions to conduct future clinical studies.

The Company anticipates that these studies will substantially enhance the compound's attractiveness to potential out-licensing partners, should it choose to pursue this strategic option for Phase 2 development.

Through this additional development work, Sareum intends to position SDC-1801 as a best-in-class TYK2/JAK1 inhibitor for autoimmune diseases, with an initial focus on psoriasis-a condition affecting over 60 million adults worldwide, representing a market opportunity exceeding US 30 billion.

Admission, Total Voting Rights and other terms

The Company has applied for 11,820,000 new Ordinary Shares to be to be admitted to trading on AIM ("**Admission**") by 8.00 a.m. on or around 16 October 2024.

The new Ordinary Shares will, when issued, be credited as fully paid and will rank*pari passu* in all respects with the existing Ordinary Shares of the Company including the right to receive all dividends or other distributions made, paid or declared in respect of such shares after Admission. Admission is conditional on all funds having been received from Subscribers pursuant to the Subscription.

Following Admission, the total number of Ordinary Shares in issue will be 119,765,783 and the total number of voting rights will thereafter be 119,765,783 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Dr Stephen Parker, Executive Chairman of Sareum, commented:

"We are delighted to secure this funding which, together with the tax credit from Australia, enables us to progress our lead programme, SDC-1801, towards Phase 2 readiness. The recent successful completion of our Phase 1 trial, demonstrating SDC-1801's favourable safety profile, combined with impressive pharmacokinetics and biomarker effects, has reinforced our confidence in its potential as a best-in-class TYK2/JAK1 inhibitor.

"With sustained high blood levels, positive side-effect profile and absence of changes to blood components, SDC-1801 demonstrates significant advantages in the competitive landscape of autoimmune disease treatments. The planned longer-term toxicology studies are critical next steps, not only for regulatory purposes but also to enhance SDC-1801's value proposition for potential out-licensing partners.

"We believe SDC-1801 has the potential to offer increased efficacy compared to existing therapies in a number of autoimmune conditions where there is a serious unmet medical need. This funding brings us closer to realising that potential and potentially delivering a new, more effective treatment option for millions of patients worldwide."

- Ends -

For further information, please contact:

Sareum Holdings plc
Stephen Parker, Executive Chairman — 01223 497700
ir@sareum.co.uk

Strand Hanson Limited (Nominated Adviser)
James Dance / James Bellman — 020 7409 3494

Hybridan LLP (Corporate Broker)
Claire Noyce — 020 3764 2341

ICR Consilium (Financial PR)

ICR Consilium (Financial PR)
Jessica Hodgson / Davide Salvi / Kumail Waljee 0203 709 5700

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, including psoriasis, and has completed Phase 1 clinical development.

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

END

IOEUROARSRURAUA