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Sareum Holdings PLC
29 October 2024

Sareum Holdings PLC

("Sareum" or the "Company")

Final Results for the Year Ended 30 June 2024

Cambridge, UK, 29 October 2024- Sareum Holdings plc (AIM: SAR), a biotechnology company developing next generation kinase inhibitors for autoimmune disease and cancer, announces its audited financial results for the year ended 30 June 2024.

Sareum also provides a broader update on operational activities and pipeline progress, highlighting the successful completion of the Phase 1 clinical trial for SDC-1801, a TYK2/JAK1 inhibitor being developed for a range of autoimmune diseases with an initial focus on psoriasis, several successful fundraises, providing sufficient cash runway to advance the development of SDC-1801, including longer-term toxicology studies, to prepare the asset for Phase 2 clinical trials.

Sareum announces that the Annual Report detailing these financial results will be made available and posted in the coming weeks.

OPERATIONAL HIGHLIGHTS - INCLUDING POST-PERIOD UPDATES

SDC-1801 (autoimmune disease)

- After the period end, Sareum announced the successful completion of its Phase 1 clinical trial for SDC-1801, including both single ascending dose ("SAD") and multiple ascending dose ("MAD") stages.
- Positive topline data revealed that blood plasma levels of SDC-1801 significantly exceeded the predicted therapeutic exposure, with a half-life of 17-20 hours, suggesting once-daily dosing will be possible.
- No deaths or serious adverse events due to SDC-1801 were reported and the frequency of adverse events (all mild or moderate) were similar in the active and placebo groups.
- Post-period, the Company secured funding of £3.4 million through share subscriptions and received a A 1.9 million (c. £1 million) Australian R&D tax credit. This fundingwill enable further development of SDC-1801, including required longer term toxicology studies, to prepare the asset for Phase 2 clinical trials and undertake further translation and preclinical development on its SDC-1802 cancer immunotherapy programme.
- IP position has been strengthened with patent allowances in China for certain crystalline forms of SDC-1801 and in the US for the chemical structure, for the use in treating inflammatory diseases, and for certain methods of chemical synthesis.

SDC-1802 (cancer immunotherapy)

SDC-1802 is a TYK2/JAK1 inhibitor being developed for cancer immunotherapy.

Funds from the recent share subscriptions will accelerate the translational studies needed to support development of SDC-1802, defining the optimal cancer application before completing toxicology and manufacturing studies

FINANCIAL HIGHLIGHTS

- Cash at 30 June 2024 of £1.5 million (£1.0 million as of 30 June 2023).
- Loss on ordinary activities after taxation for the year ended 30 June 2024 of £3.4 million (£3.2 million loss for the year ended 30 June 2023), which reflects the increased R&D investment required for the conduct of the clinical trial and higher level of activity.
- R&D tax credits of £0.8 million received in the year.
- Funding facility provided by RiverFort Global Opportunities PCC Ltd ("Riverfort") was fully settled in April 2024. The Company raised net funds of £4.4 million via share issues during the period.
- Post period end, the Company completed fundraises totalling £3.4 million (before expenses), from certain high net worth individuals, corporates and institutions, via subscriptions for a total of 16,264,444 new ordinary shares of 1.25 pence each in the capital of the Company ("Ordinary Shares") at an aggregate price of 20.7 pence per new Ordinary Share. An Australian R&D tax credit of AS1.9 million (c£1.0 million) was also received in October 2024.

Dr Stephen Parker, Executive Chairman of Sareum, commented:

"2024 has been an important year for Sareum. We have reported positive topline data from our completed Phase 1 trial of SDC-1801, which demonstrated a favourable safety profile and achieved blood plasma levels significantly exceeding the predicted therapeutic exposure. These results, along with our strengthened financial position and IP portfolio, position us well to advance SDC-1801 towards Phase 2 clinical trials and accelerate the preclinical development of SDC-1802. The Clinical Study Report from the Phase 1 trial is expected to be available later in 2024. We look forward to building on this momentum in the coming year."

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About Sareum

Sareum (AIM: SAR) is abiotechnology 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 JAK1SDC-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 quoted 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.

CHAIRMAN'S STATEMENT

Sareum has made excellent progress during and after this period, successfully completing the Phase 1 clinical trial of our lead asset, SDC-1801. We are delighted to report positive topline data from this study, which demonstrated that SDC-1801 achieved blood plasma levels well above the predicted therapeutic exposure, with a long half life indicating that once-daily dosing can be possible. Importantly, no deaths or serious adverse events due to SDC-1801 were reported.

The success of this trial highlights that high blood levels of our dual TYK2/JAK1 kinase inhibitor can be achieved without serious side effects. Moreover, based on the unblinded data now available, we are pleased to note that the frequency of adverse events (all mild or moderate) was similar in the active and placebo groups. No clinically significant effects on any component of blood, which have been affected by earlier generation JAK inhibitors, were observed. The observed favourable safety and pharmacokinetic profiles may give SDC-1801 significant advantage over competitors.

The TYK2/JAK1 inhibitor class is increasingly proving its promise for the treatment of autoimmune disease, and we believe SDC-1801 has the potential to be a best-in-class. The positive Phase 1 results have reinforced our confidence as we look to advance SDC-1801 further through clinical development.

In addition, post the financial year end, we secured £3.4 million before expenses in funding through subscriptions, and received a A 1.9 million (c. £1 million) Australian tax credit . These funds will enable us to conduct further development of SDC-1801, including longer-term toxicology studies, to prepare the asset for Phase 2 clinical trialsand also undertake further translation and preclinical development of the SDC-1802 cancer immunotherapy programme, thereby enhancing their potential values.

Our intellectual property position for SDC-1801 has also been strengthened. We've received patent allowances in China for certain crystalline forms and in the US for the chemical structure, its use in treating inflammatory diseases, and certain methods of chemical synthesis. These complement existing approvals in other major territories.

After the period end, we announced some management changes. Dr. Tim Mitchell, co-founder and CEO, has transitioned to the part-time role of Chief Operating Officer while remaining on the Board. I have assumed the position of Executive Chairman, and we intend to appoint a new CEO at the appropriate time as the Company progresses with its strategy.

We're excited about the future of SDC-1801 and are committed to building a strong data package to advance to the next stage of its development and will be presenting the clinical data at upcoming partnering and scientific conferences, with the aim of further engaging with potential licensing and commercialisation partners. We look forward to sharing further updates in due course.

PROGRAMME UPDATES

SDC-1801

SDC-1801 is a 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.

Sareum has successfully completed the Phase 1 trial of SDC-1801 (trial ID ACTRN12623000416695p), including both single ascending dose (SAD) and multiple ascending dose (MAD) stages.This was a randomised, placebo-controlled trial investigating the safety, tolerability, pharmacokinetics and pharmacodynamics of an oral formulation of SDC-1801 in healthy subjects, conducted at a clinical unit in Melbourne, Australia.

The trial demonstrated that SDC-1801 achieved blood plasma levels well above the predicted therapeutic exposure, with a half-life of 17-20 hours, suggesting that once-daily dosing will be possible. Importantly, no deaths or serious adverse events due to SDC-1801 were reported,and 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 trial participants who received SDC-1801 for 10 days in the MAD 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 additional funding of £3.4 million through share subscriptions and receipt of a A 1.9 million (c. £1 million) Australian tax credit will enable further development of SDC-1801 to prepare the asset for Phase 2 clinical trials. This will include additional drug product synthesis and toxicology studies, of up to four months and in two species, which are required to match the intended duration of the dosing of patients in these Phase 2 studies. It is the intention to complete these preclinical studies by mid-2025.

SDC-1802

SDC-1802 is a TYK2/JAK1 inhibitor being developed for cancer and cancer immunotherapy applications.

The funding received from the October 2024 share subscriptions will enable further translational and preclinical development studies on SDC-1802, which we look forward to reporting in the current period.

SRA737 (cancer)

SRA737 is a clinical-stage oral, selective Checkpoint kinase 1 inhibitor that targets cancer cell replication and DNA damage repair mechanisms.

- On 2 January 2024, Sareum announced the Company's co-development partner, the CRT Pioneer Fund ("CPF"), entered into a development and commercialisation licence agreement for SRA737 with a private biopharma company (the "Licensee Company") based in the United States.

- Sareum received US 137,500 from the upfront fee payable under the Licensing Agreement,

- An additional fee made up of up to US 1.0 million cash and 500,000 shares in the Licensee Company may be payable to CPF, of which Sareum is entitled to a 27.5% share, upon the sooner of 12 months following the signing of the Licensing Agreement, or the event of the Licensee Company achieving certain commercial and material financing objectives.

- Sareum is also entitled to 27.5% of any future payments payable by the Licensee Company , under the terms of Sareum's co-development agreements with CPF and Cancer Research Technology Ltd.

FINANCIAL REVIEW

At 30 June 2024, Sareum had cash of £1.5 million (£1.0 million as of 30 June 2023).

The loss on ordinary activities after taxation for the year ended 30 June 2024 was £3.4 million (£3.2 million loss for the year ended 30 June 2023), which reflects the increased R&D investment required for the conduct of the clinical trial. R&D tax credits of £0.8m were received in the year.

During the year, Sareum made use of a funding facility provided by RiverFort Global Opportunities PCC Ltd ("Riverfort") which was fully settled in April 2024. The Company raised net funds of £4.4 million via share issues.

Subsequent to the year end, in October 2024, the Company completed two fundraises totalling £3.4million (before expenses), from certain high net worth individuals and institutions, via subscriptions for a total of 11,820,000 new Ordinary Shares at a price of 20 pence per new Ordinary Share and subscriptions for a total of 4,444,444 new Ordinary Shares at a price of 22.5 pence per new Ordinary Share. An Australian R&D tax credit of AS1.9 million (c£1.0 million) was also received in October 2024.

OUTLOOK

Sareum has successfully completed its Phase 1 clinical trial for SDC-1801, including both single ascending dose (SAD) and multiple ascending dose (MAD) stages. The positive topline data from this trial have significantly bolstered the Company's confidence in SDC-1801's potential as a best-in-class TYK2/JAK1 inhibitor for autoimmune diseases.

The Clinical Study Report from the Phase 1 trial is expected to be available later in 2024. Sareum plans to conduct the preparatory work required to obtain regulatory approval for a Phase 2 clinical trial. We look forward to presenting this data at upcoming partnering and scientific conferences, including discussing the data with potential licensing and commercialisation partners.

The recent funding, will enable the Group to conduct further development of SDC-1801, including the longer-term toxicology studies required to prepare the asset for Phase 2 clinical trials and also undertake further translational and preclinical development on its SDC-1802 cancer immunotherapy programme thereby enhancing their potential values.

The Board of Sareum continues to apply a rigorous approach to capital allocation in the development of the Company's assets. The Company maintains a clear focus on advancing these potential medicines to patients as efficiently as possible while maximizing value for shareholders.

With the recent management changes, including Dr. Stephen Parker's transition to Executive Chairman and Dr. Tim Mitchell's move to a part-time Chief Operating Officer role, Sareum is well-positioned to navigate through this exciting phase of development.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £'000	2023 £'000
CONTINUING OPERATIONS			
Revenue		**-**	-
Administrative expenses		**(4,596)**	(4,048)
Share of loss of associates		**(60)**	(18)
Other operating income		**22**	-
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OPERATING LOSS		**(4,634)**	(4,066)
Finance income	4	**32**	41
LOSS BEFORE TAXATION	5	**(4,602)**	(4,025)
Taxation	6	**1,182**	833
LOSS FOR THE YEAR		**(3,420)**	(3,192)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(3,420)**	(3,192)
Loss attributable to owners of the parent		**(3,420)**	(3,192)
Total comprehensive income attributable to owners of the parent		**(3,420)**	(3,192)
Basic and diluted loss per share (pence per share)	7	**(4.2)**	(4.7)

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET
30 JUNE 2024

	Note	2024 £'000	2023 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	**-**	1
Investment in associate	9	**9**	46
		9	47
CURRENT ASSETS			
Trade and other receivables	10	**1,299**	979
Cash and cash equivalents	11	**1,459**	994
		2,758	1,973
CURRENT LIABILITIES			
Trade and other payables	12	**(653)**	(867)
NET CURRENT ASSETS		**2,105**	1,106
NET ASSETS		**2,114**	1,153
SHAREHOLDERS' EQUITY			
Called up share capital	15	**1,349**	851
Share premium	17	**24,802**	20,925
Share-based compensation reserve	17	**312**	325
Foreign exchange reserve	17	**20**	14
Retained earnings	17	**(24,369)**	(20,962)
TOTAL EQUITY		**2,114**	1,153

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Called up share capital £'000	Share premium £'000	Share-based compensation reserve £'000
Balance at 1 July 2022	**851**	**20,925**	**325**
Issue of share capital	-	-	-
Transfer for options exercised / expired	-	-	-
Total comprehensive income	-	-	-
Balance at 30 June 2023	851	20,925	325
Issue of share capital	498	3,877	-
Total comprehensive income	-	-	-
Transfer for options exercised / expired	-	-	(13)
Balance at 30 June 2024	**1,349**	**24,802**	**312**

	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2022	**-**	**(17,770)**	**4,331**
Issue of share capital	-	-	**-**
Transfer for options exercised / expired	-	-	**-**
Arising on consolidation	14	-	**14**
Total comprehensive income	-	(3,192)	**(3,192)**
Balance at 30 June 2023	14	(20,962)	**1,153**
Issue of share capital	-	-	**4,375**
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**

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash used in operations	19	**(4,739)**	(3,676)
Tax received		**820**	409
Net cash outflow from operating activities		**(3,919)**	(3,267)
Cash flows from investing activities			
Purchase of tangible fixed assets		**-**	-
Investment in associate		**(23)**	(41)
Interest received		**32**	41
Net cash inflow from investing activities		**9**	-

Cash flows from financing activities

Cash flows from financing activities

Share issues	**4,375**	-
Net cash inflow from financing activities	**4,375**	-
(Decrease)/increase in cash and cash equivalents	**465**	(3,267)
Cash and cash equivalents at beginning of year	**994**	4,261
Cash and cash equivalents at end of year	**1,459**	994

The accompanying notes form part of these financial statements.

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 Group made a loss after tax of £3.4 million (2022: £3.2 million), as it continued to progress research and development activities. These activities, and the related expenditure, are in line with the budgets previously set and are funded by regular cash fundraises.

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 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 subsidiary as if they formed a single entity. Inter-company transactions and balances between group companies are eliminated on consolidation.

2. 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.

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
Expenditure on research and development is written off in the year in which it is incurred. 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.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

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
Revenue is measured as the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales related taxes and is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group. Revenues from licensing agreements are recognised in line with the performance obligations being met, as outlined in the terms of the agreement. Grant income is recognised as earned based on contractual conditions, generally as expenses are incurred. Such income is recognised as Other Operating Income.

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 and equity settled share-based payments.

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.

Impairment of assets
At the date of the statement of financial position, the Group reviews the carrying amounts of its non-current 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 2024 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.

3. EMPLOYEES AND DIRECTORS

	2024	2023
	£'000	£'000
Directors' remuneration		
Directors' emoluments	**530**	523
Directors' pension contributions to money purchase schemes	**28**	29

	£'000	£'000
Remuneration of the highest paid Director		
Directors' emoluments	**193**	193
Director's pension contributions to money purchase schemes	**14**	15

There are two (2022: two) Directors who are members of third party held money purchase retirement benefit schemes.

Average monthly number of persons employed	**Number**	Number
Office and management	**4**	4

Research	**1**	1
	5	5

	£'000	£'000
Staff costs during the year		
Wages and salaries	**530**	523
Social security costs	**59**	58
Pension costs	**28**	29
	617	610

4. NET FINANCE INCOME

	2024 **£'000**	2023 £'000
Deposit account interest	**32**	41

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:	**2024** **£'000**	2023 £'000
Depreciation - owned assets	**1**	1
Research and development	**3,591**	2,909
Other operating leases	**21**	21
Foreign exchange differences	**(37)**	24
Auditor's remuneration	**17**	16

6. INCOME TAX

	2024 **£'000**	2023 £'000
Current tax		
Adjustment to prior years	**(3)**	-
Overseas taxation credit	**1,031**	395
UK corporation tax credit on losses for the period	**154**	438
	1,182	833

The credit for the year can be reconciled to the accounting loss as follows:	**2024** **£'000**	2023 £'000
Loss before tax	**(3,420)**	(4,025)
Notional tax credit at average rate of 20.5% (2022: 19%)	**1,150**	825
Effects of:		
Expenses not deductible for tax purposes	**(44)**	-
Adjustment to tax charge in respect of prior periods	**(3)**	-
Other timing differences	**(629)**	(234)
Unutilised tax losses	**(271)**	(293)
Losses surrendered for research and development tax credits	**(206)**	(298)
Research and development tax credits claimed	**1,185**	833
Actual current tax credit in the year	**1,182**	833

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

A potential deferred tax asset as at 30 June 2024 of £3.2 million (2023: £2.8 million) calculated using the expected corporation tax rate of 25% (2022: 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.

7 EARNINGS PER SHARE

The calculation of loss per share is based on the following data:	**2024**	2023
Loss on ordinary activities after tax	**£3,420,000**	£3,192,000
Weighted average number of shares in issue	**80,992,566**	68,069,416

Basic and diluted loss per share (pence)	**(4.2)**	(4.7)

As the Group has generated a loss for the period, there is no dilutive effect in respect of share options.

8. PROPERTY PLANT & EQUIPMENT

	Fixtures and computers £'000
Cost	
At 1 July 2023 and 30 June 2024	**13**
Depreciation	
At 1 July 2023	12
Charge for the year	1
At 30 June 2024	**13**
Carrying amount	
At 30 June 2023	1
At 30 June 2024	**-**

9. INVESTMENTS

	Interest in associate £'000
Cost	
At 1 July 2023	1,217
Additions	23
At 30 June 2024	**1,240**
Provision for impairment	
At 1 July 2023	1,171
Impairment for year	60
At 30 June 2024	**1,231**
Net book value	
At 30 June 2023	46
At 30 June 2024	**23**

The investment in associate represents the investment by the Group in the partnership with the Cancer Research Technology Pioneer Fund to advance the SRA737 programme and has been accounted for using the equity method. Sareum's interest in the associate partnership is 27.5%. As at 30 June 2024 the partnership had net assets of £34,000 (2023: £83,000) and had incurred cumulative losses of £0.8 million (2023: £0.7 million).

10. TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Corporation tax	**1,180**	823
Other taxation receivable	**41**	75
Prepayments and accrued income	**78**	81
	1,299	979

11. CASH AND CASH EQUIVALENTS

	2024 £'000	2023 £'000
Bank deposit accounts	**1,459**	994

12. TRADE AND OTHER PAYABLES

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade creditors	**542**	694
Social security and other taxes	**19**	22
Other creditors	**35**	5
Accrued expenses	**57**	146
	653	867

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.

13. LEASING AGREEMENTS

The Group has not applied IFRS 16 as the lease on the only office occupied by the Group is of low value, expiring in December 2026 and the rent payments in the year are also not material to the financial statements.

14. 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.

The major financial risks faced by the Group, which remained unchanged throughout the year, are interest rate risk, foreign exchange risk and liquidity risk. Policies for the management of these 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 optimise the interest rates received by continuously monitoring those available. The value of the Group's financial instruments is not considered to be materially sensitive to these risks and therefore no sensitivity analysis has been provided.

Foreign exchange risk

The Group's activities expose it to fluctuations in the exchange rate for the Euro and the US dollar. Funds are maintained in sterling and foreign currency is acquired on the basis of committed expenditure. The value of the Group's financial instruments is not considered to be materially sensitive to these risks and therefore no sensitivity analysis has been provided.

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

15. SHARE CAPITAL

Called up, allotted and fully paid	**2024 £'000**	2023 £'000
107,945,783 (2022: 68,069,416) Ordinary Shares of 1.25p each	1,349	851

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

(i) On 8 August 2023, 1,953,543 Ordinary Shares were issued at 9.98 pence per Ordinary Share in respect of a financing arrangement with Riverfort. A further 48,839 Ordinary Shares were issued at £1.02 per Ordinary Share to Riverfort at the same time. Together these raised £2 million before expenses.

(ii) On 30 October 2023, 190,080 Ordinary Shares were issued at 30 pence per Ordinary Share in respect of the exercise of share options by certain Directors that raised, in aggregate, £57,024 before expenses.

(iii) 12,660,488 Ordinary Shares were issued to Riverfort on various dates between 12 March 2024 and 26 April 2024 which in aggregate raised £300,000.

(iv) On 5 April 2024 23,339,733 Ordinary Shares were issued at 10 pence per Ordinary Share to individual investors as part of a placing and WRAP exercise, which in aggregate raised £2,333,973 before expenses.

(v) On 5 April 2024 576,698 Ordinary Shares were issued at 10 pence per Ordinary Share to certain Directors in lieu of salary payments owed to them, which in aggregate raised £57,670 before expenses.

(vi) On 13 May 2024, 1,106,986 Ordinary Shares were issued at 10 pence per Ordinary Share to Riverfort in respect of their exercise of certain warrants, which in aggregate raised £110,699.

16. PENSION COMMITMENTS

The Group makes contributions to its employees' own personal pension schemes. The contributions for the period of £28,000 (2023: £29,000) were charged to the profit and loss account. At the balance sheet date contributions of £4,000 (2023: £5,000) were owed and are included in creditors.

17. 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.

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 reserve	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.

18. CONTINGENT LIABILITIES

There are no contingent liabilities (2023: £nil).

19. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2024 **£'000**	2023 £'000
Operating loss from continuing operations	**(4,602)**	(4,024)
Adjustments for:		
Depreciation	**1**	1
Share of loss of associate	**60**	18
Foreign exchange differences	**5**	24
Finance income	**(32)**	(41)
Operating cash flows before movements in working capital	**(4,568)**	(4,022)
Decrease/(increase) in receivables	**42**	(65)
Increase in payables	**(213)**	411
Cash used in operations	**(4,739)**	(3,676)
	=======	=======

20. POST BALANCE SHEET EVENTS

With effect from 10 July 2024 Tim Mitchell, co-founder and Chief Executive Officer (CEO), transitioned to the part-time role of Chief Operating Officer (COO) and Stephen Parker, previously Non-Executive Chairman, assumed the position of Executive Chairman. Additionally at that time, Clive Birch was appointed as Senior Independent Director.

In October 2024, the Company completed fundraises as follows:

(i) £2.4 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 at a price of 20 pence per new Ordinary Share; and

(ii) £1.0 million (before expenses), from certain investors including the institution that participated in the above fundraise, via a subscription for a total of 4,444,444 new Ordinary Shares at a price of 22.5 pence per new Ordinary Share.