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Sareum Holdings PLC
23 October 2025

Sareum Holdings PLC

("Sareum" or the "Company")

Preliminary Results for the Year Ended 30 June 2025

Cambridge, UK, 23 October 2025 - Sareum Holdings plc (AIM: SAR), a clinical-stage biotechnology company developing next-generation kinase inhibitors for autoimmune disease and cancer, announces its unaudited financial results for the year ended 30 June 2025.

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.

OPERATIONAL HIGHLIGHTS - INCLUDING POST-PERIOD UPDATES

SDC-1801 (autoimmune disease)

- 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.
- The Company is in discussions with several contract research organisations (CROs) to restart the study as soon as possible, using existing cash resources.
- 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.
- 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.
- Phase 2-enabling work, including non-clinical studies and formulation optimisation, is continuing and will support the initiation of Phase 2 clinical trials.
- 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.
- 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)

- 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 (£1.5 million as of 30 June 2024).
- Administrative expenses (including R&D): £3.38 million; R&D spend: £2.07 million.
- Loss before tax: £3.06 million.
- R&D tax credits received in the period: £1.2 million (£0.8 million in the year to 30 June 2024).

Dr Stephen Parker, Executive Chairman of Sareum, commented:

"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."

"Despite the frustrating and unexpected discontinuation of the GLP toxicology study for SDC-1801, we remain confident in SDC-1801. The adverse findings occurred predominantly in control group animals and are unrelated to SDC-1801. We are already in discussions with several Contract Research Organisations to restart the study as quickly as possible, and our focus remains firmly on completing the Phase 2-enabling package. The strong Phase 1 results - together with positive readouts across the TYK2 field - 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. Post-period, we were delighted to add a new TYK2 neuroscience collaboration, which extends the relevance of our science into neuro-inflammation. With these foundations in place, we enter the new financial year with confidence and a clear set of milestones ahead."

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About Sareum

Sareum (AIM: SAR) is a 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, with a planned initial focus on psoriasis.

Sareum is also developing SDC-1802, a TYK2/JAK1 inhibitor with a potential application for certain haematological cancers and has recently initiated a preclinical programme to develop TYK2/JAK1 inhibitors for neuroinflammatory diseases such as multiple sclerosis and Parkinson's disease

The Company has recently acquired the license for SRA737, a clinical-stage Checkpoint kinase 1 inhibitor that targets cancer cell replication and DNA damage repair mechanisms.

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

EXECUTIVE CHAIRMAN'S STATEMENT

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.

PROGRAMME UPDATES

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

estimated to be worth more than US $6 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 (post-period)

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 £2.9 million (2024: loss of £3.4

The loss on ordinary activities after taxation for the year ended 30 June 2025 was £3.0 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: £1.4 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 before 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.

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, a healthy balance sheet, prudent financial management and clear milestones ahead, the Company is confident of delivering further progress in the year to come.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2025

	Notes	**2025**	2024
		£'000	£'000
CONTINUING OPERATIONS			
Revenue		**-**	-
Administrative expenses		**(3,382)**	(4,596)
Share of profit/(loss) of associate		**2**	(60)
Other operating income		**240**	22
OPERATING LOSS		**(3,140)**	(4,634)
Finance income		**77**	32
LOSS BEFORE TAXATION		**(3,063)**	(4,602)
Taxation		**99**	1,182
LOSS FOR THE YEAR		**(2,964)**	(3,420)

TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(2,964)**	(3,420)
Loss attributable to owners of the parent	**(2,964)**	(3,420)
	========	========
Total comprehensive income attributable to owners of the parent	**(2,964)**	(3,420)
Basic and diluted loss per share expressed in pence per share	**(2.4)**	(4.2)

Consolidated Balance Sheet as at 30 June 2025

	Note	**2025 £'000**	2024 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		**-**	-
Investment in associate		**-**	9
		-	9
CURRENT ASSETS			
Trade and other receivables		**557**	1,299
Cash and cash equivalents		3,546	1,459
		4,103	2,758
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**(352)**	(653)
NET CURRENT ASSETS		**3,751**	2,105
NET ASSETS		**3,751**	2,114

SHAREHOLDERS' EQUITY		
Called up share capital	**1,680**	1,349
Share premium	**29,020**	24,802
Share-based compensation reserve	**413**	312
Foreign exchange reserve	**(50)**	20
Retained earnings	**(27,312)**	(24,369)
TOTAL EQUITY	**3,751**	2,114

Company balance sheet 30 June 2025

	Note	2025 £'000	2024 £'000
ASSETS NON-CURRENT ASSETS			
Investments		**669**	339
NET ASSETS		**669**	339
SHAREHOLDERS' EQUITY			
Called up share capital		**1,680**	1,349
Share premium		**29,020**	24,802
Share-based compensation reserve		**413**	312
Retained earnings		**(30,444)**	(26,124)
TOTAL EQUITY		**669**	339

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	3,877	-
Transfer for options exercised / expired	-	-	(13)
Total comprehensive income	-	-	-
Balance at 30 June 2024	1,349	24,802	312
Issue of share capital	331	4,218	-
Total comprehensive income	-	-	-
Charge for year for options granted	-	-	122
Transfer for options exercised / expired	-	-	(21)
Balance at 30 June 2025	**1,680**	**29,020**	**639**

	Foreign exchange reserve £'000	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 July 2023	14	(20,962)	**1,153**
Issue of share capital	-	-	**4,375**
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**
Issue of share capital	-	-	**4,549**
Charge for year for options granted	-	-	**122**
Transfer for options exercised / expired	-	22	**-**
Arising on consolidation	(70)	-	**(70)**

Total comprehensive income	-	(2,964)	**(2,964)**
Balance at 30 June 2025	**(50)**	**(27,312)**	**3,751**

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	3,877	(13)
Transfer for options exercised / expired	-	-	-
Total comprehensive income	-	-	-
Balance at 30 June 2024	1,349	24,802	312
Issue of share capital	331	4,218	-
Transfer for options exercised / expired	-	-	(21)
Charge for year for options granted			122
Total comprehensive income	-	-	-
Balance at 30 June 2025	**1,680**	**29,020**	**413**

Balance at 1 July 2023	**(21,762)**	**339**
Issue of share capital	-	**4,375**
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	-	**4,549**
Transfer for options exercised/expired	21	**-**
Charge for year for options granted	-	**122**
Total comprehensive income	(4,341)	**(4,341)**
Balance at 30 June 2025	**(30,670)**	**669**

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		**-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		**4,549**	4,375
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

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		**(440)**	(408)
Net cash outflow from operating activities		**(440)**	(408)
Cash flows from investing activities			

Investment in subsidiary	**-**	-
(Advanced to)/received from subsidiary	**(4,109)**	(3,967)
Net cash (outflow)/inflow from investing activities	**(4,109)**	(3,967)
Cash flows from financing activities		
Share issue	**4,549**	4,375
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	-	-

Notes to the results 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 £4.3 million (2024: loss of £4.4 million) and the Group made a loss after tax of £3.0 million (2024: loss of £3.4 million), as they continued to progress their research and development 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 subsidiary 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 page 3.

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.

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.

3. ACCOUNTING POLICIES (CONTINUED)

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.

3. ACCOUNTING POLICIES (CONTINUED)

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 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.

	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	**557**	1,299
Cash and cash equivalents	13	**3,546**	1,459
		4,103	2,758
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**(352)**	(653)
NET CURRENT ASSETS		**3,751**	2,105
NET ASSETS		**3,751**	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	**639**	312
Foreign exchange reserve	18	**(50)**	20
Retained earnings	18	**(27,538)**	(24,369)
TOTAL EQUITY		**3,751**	2,114

Company balance sheet 30 June 2025

	Note	2025 £'000	2024 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	11	**669**	339
NET ASSETS		**669**	339
SHAREHOLDERS' EQUITY			
Called up share capital	17	**1,680**	1,349
Share premium	18	**29,020**	24,802
Share-based compensation reserve	18	**639**	312
Retained earnings	18	**(30,670)**	(26,124)
TOTAL EQUITY		**669**	339

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	3,877	-

Transfer for options exercised / expired	-	-	(13)
Total comprehensive income	-	-	-
Balance at 30 June 2024	1,349	24,802	312
Issue of share capital	331	4,218	-
Total comprehensive income	-	-	-
Transfer for options granted	-	-	349
Transfer for options exercised / expired	-	-	(22)
Balance at 30 June 2025	**1,680**	**29,020**	**639**

	Foreign exchange reserve £'000	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 July 2023	14	(20,962)	**1,153**
Issue of share capital	-	-	**4,375**
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**
Issue of share capital	-	-	**4,549**
Transfer for options granted	-	(349)	**-**
Transfer for options exercised / expired	-	22	**-**
Arising on consolidation	(70)	-	**(70)**
Total comprehensive income	-	(2,842)	**(2,842)**

Balance at 30 June 2025	**(50)**	**(27,538)**	**3,751**

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	3,877	(13)
Transfer for options exercised / expired	-	-	-
Total comprehensive income	-	-	-
Balance at 30 June 2024	1,349	24,802	312
Issue of share capital	331	4,218	-
Transfer for options exercised / expired	-	-	(22)
Transfer for options granted			349
Total comprehensive income	-	-	-
Balance at 30 June 2025	**1,680**	**29,020**	**639**

Balance at 1 July 2023	**(21,762)**	**339**
Issue of share capital	-	**4,375**
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	-	**4,549**
Transfer for options exercised/expired	22	**-**
Transfer for options granted	(349)	**-**
Total comprehensive income	(4,219)	**(4,219)**
Balance at 30 June 2025	**(30,670)**	**669**
	==========	==========

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		**4,549**	4,375

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

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		**-**	-
(Advanced to)/received from subsidiary		**(4,109)**	(3,967)
Net cash (outflow)/inflow from investing activities		**(4,109)**	(3,967)
Cash flows from financing activities			
Share issue		**4,549**	4,375

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	-	-

Notes to the results 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 £4.2 million (2024: loss of £4.4 million) and the Group made a loss after tax of £2.8 million (2024: loss of £3.4 million), as they continued to progress their research and development 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 subsidiary 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 page 3.

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.

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.

3. ACCOUNTING POLICIES (CONTINUED)

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.

3. ACCOUNTING POLICIES (CONTINUED)

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 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.

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