3 June 2025

Corp

Ticker	TCF:AIM
Pharmaceuticals & Biotechnology	
Shares in issue (m)	2,129.6
Next results	H1 Sep
Price	**0.28p**
Target price	11.0p
Upside	3,900%
Enterprise value	**£1.8m**
Net cash/(debt)	£4.1m
Other EV adjustments	£0.0m
Market cap	**£5.9m**

What's changed?	From	To
Adjusted EPS	-0.41	-0.09
Target price	11.0	n/c

Share price performance

%	1M	3M	12M
Actual	22.2	0.0	-60.7

Company description

Clinical stage drug development company focussed on development of oncology and neuropsychiatric medicines

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TheraCryf*

FY25 Results: Sharpened focus on neuropsychiatry

TheraCryf has reported results for the 12-months to March 2025, reporting a significant reduction in its operating loss to c£2.1m from c£3.6m for FY24A. This reflects the tight control of operating costs enacted during the year. The company closed the year with cash of £4.1m, providing a runway to close CY26 and supported by the £4.25m equity placing completed in February 2025. The company's strategy has focused on the significant addiction opportunity provided by lead asset, Ox-1, with development of SFX-01 being undertaken externally and supported by grant funding. We believe the company is well positioned to increase the value of its Ox-1 programme while maintaining an interest in the development of SFX-01. We believe the value and potential of this multi-asset strategy is not reflected in the company's share price and remain positive on the shares.

— **Results:** TheraCryf delivered an improved post-tax loss of £1.9m for FY25A versus a loss of £3.1m for FY24A. This result was delivered by tight cost control, reflected in a YoY operating cost reduction of £1.8m. The company closed FY25 with cash and equivalents of £4.1m. We have extended our forecasts to FY26, expecting a post-tax loss of c£2.2m and a closing cash balance of c£1.8m.

— **Equity raise:** In February 2025, TheraCryf completed a raise of £4.25m (gross) via an equity placing. The proceeds of the fundraise are to be used to advance the pre-clinical development of the orexin-1 blocker (Ox-1) programme to clinical trial readiness which the board believes will serve as a key inflection point. The new financing also provides TheraCryf with a cash runway through to the end of CY26, past multiple potential share price catalyst events related to the Ox-1 development programme.

— **News flow:** With the extended cash runway following the equity fundraise, TheraCryf has almost tripled the number of potential share-price catalyst events that may materialise over the next 6-24 months with news flow from the development of the Ox-1 asset programme representing the most tangible near-term inflection points. These include the restart of Ox-1 neuropsychiatry programme, commencement of Ox-1 manufacturing optimisation and commencement of Ox-1 chronic toxicology studies followed by release of pre-clinical datasets.

— **Outlook:** TheraCryf has a cash runway through to the close of CY26. Over this time window, the company intends to develop Ox-1 to the point of entry into human clinical trials, completing manufacturing and pre-clinical toxicology development. We believe progress to this development stage will trigger a significant inflection in the value of the programme.

— **Investment thesis:** TheraCryf has focused its operations on the development of its behavioural brain disorder assets, with the lead asset Ox-1 targeting the significant market opportunity associated with addiction. The company maintains an interest in SFX-01, though the development of this asset will be financed through non-dilutive grant funding. We believe the potential value of TheraCryf's Ox-1 antagonist programme is not reflected in the company's share price, while the external development of SFX-01 offers option-like upside.

Key estimates		2022A	2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar	Mar
Revenue	£m	0.0	0.4	0.4	0.0	0.0
Adj EBITDA	£m	-3.0	-4.9	-3.4	-1.9	-2.2
Adj EBIT	£m	-3.0	-4.9	-3.4	-2.0	-2.4
Adj PBT	£m	-3.0	-4.8	-3.4	-2.0	-2.3
Adj EPS	p	-0.91	-1.3	-1.1	-0.33	-0.09
DPS	p	0.00	0.00	0.00	0.00	0.00
Key valuation metrics						
EV/sales	x	n/m	4.0	4.4	n/m	n/m
EV/EBIT (adj)	x	-0.6	-0.4	-0.5	-0.9	-0.7
P/E (adj)	x	-0.3	-0.2	-0.3	-0.8	-2.9
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Free cash yield	%	-43.8%	-70.5%	-51.2%	-41.0%	-39.6%

Income statement		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Sales	£m	0.4	0.4	0.0	0.0
Gross profit	£m	0.4	0.4	0.0	0.0
EBITDA (adjusted)	£m	-4.9	-3.4	-1.9	-2.2
EBIT (adjusted)	**£m**	**-4.9**	**-3.4**	**-2.0**	**-2.4**
Associates/other	£m	0.0	0.0	0.0	0.0
Net interest	£m	0.1	0.0	0.0	0.0
PBT (adjusted)	**£m**	**-4.8**	**-3.4**	**-2.0**	**-2.3**
Total adjustments	£m	-0.2	-0.1	-0.1	-0.2
PBT (reported)	£m	-5.0	-3.6	-2.1	-2.5
Tax charge	£m	1.0	0.4	0.1	0.3
Minorities/Disc ops	£m	0.0	0.0	0.0	0.0
Earnings (reported)	£m	-4.0	-3.1	-1.9	-2.2
Earnings (adjusted)	**£m**	**-3.9**	**-3.0**	**-1.8**	**-2.0**
EPS (basic)	p	-1.5	-1.1	-0.36	-0.10
EPS (adjusted, fully diluted)	**p**	**-1.3**	**-1.1**	**-0.33**	**-0.09**
DPS	**p**	**0.00**	**0.00**	**0.00**	**0.00**

Growth analysis		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Sales growth	%	n/m	-10.4%	n/m	n/m
EBITDA growth	%	-62.8%	30.7%	43.3%	-15.3%
EBIT growth	%	-62.4%	30.7%	41.5%	-17.1%
PBT growth	%	-60.4%	29.3%	42.6%	-18.4%
EPS growth	%	-46.0%	17.4%	70.2%	71.0%
DPS growth	%	n/m	n/m	n/m	n/m

Profitability analysis		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Gross margin	%	100.0%	100.0%	n/m	n/m
EBITDA margin	%	n/m	-862.9%	n/m	n/m
EBIT margin	%	n/m	-865.9%	n/m	n/m
PBT margin	%	n/m	-865.9%	n/m	n/m
Net margin	%	-879.2%	-757.6%	n/m	n/m

Valuation analysis		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
EV/EBITDA (adjusted)	x	-0.4	-0.5	-0.9	-0.8
EV/EBIT (adjusted)	x	-0.4	-0.5	-0.9	-0.7
P/E (adjusted)	x	-0.2	-0.3	-0.8	-2.9

Cash flow		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
EBITDA (adjusted)	£m	-4.9	-3.4	-1.9	-2.2
Net change in working capital	£m	0.3	-0.5	0.6	-0.2
Other operating items	£m	0.2	0.1	0.2	0.2
Cash flow from op. activities	**£m**	**-4.6**	**-3.9**	**-1.3**	**-2.5**
Cash interest	£m	0.0	0.0	0.0	0.0
Cash tax	£m	0.5	0.9	0.0	0.1
Capex	£m	-0.0	0.0	-1.2	0.0
Other items	£m	0.0	0.0	0.0	0.0
Free cash flow	**£m**	**-4.1**	**-3.0**	**-2.4**	**-2.3**
Acquisitions / disposals	£m	0.0	0.0	0.0	0.0
Dividends	£m	0.0	0.0	0.0	0.0
Shares issued	£m	0.0	0.0	5.5	0.0
Other	£m	0.1	0.0	-0.9	0.0
Net change in cash flow	**£m**	**-4.0**	**-3.0**	**2.1**	**-2.3**
Opening net cash (debt)	£m	9.0	5.0	2.0	4.1
Closing net cash (debt)	**£m**	**5.0**	**2.0**	**4.1**	**1.8**

Cash flow analysis		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Cash conv'n (op cash / adj EBITDA)	%	n/m	n/m	n/m	n/m
Cash conv'n (FCF / adj EBITDA)	%	81.1%	84.3%	116.8%	97.3%
U/lying FCF	£m	-4.1	-3.0	-1.3	-2.4
Cash quality (u/l FCF / adj earn)	%	106.5%	100.3%	72.3%	120.0%
Investment rate (capex / depn)	x	0.3	0.0	n/m	n/m
Interest cash cover	x	n/a	n/a	n/a	n/a
Dividend cash cover	x	n/a	n/a	n/a	n/a

Working capital analysis		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Net working capital / sales	%	-139.6%	-32.1%	n/m	n/m
Net working capital / sales	days	-510	-117	n/m	n/m
Inventory (days)	days	0	0	n/m	n/m
Receivables (days)	days	178	548	n/m	n/m
Payables (days)	days	688	665	n/m	n/m

Balance sheet		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Tangible fixed assets	£m	0.0	0.0	0.0	0.0
Goodwill & other intangibles	£m	0.0	0.0	2.1	1.9
Other non current assets	£m	0.0	0.0	0.0	0.0
Net working capital	£m	-0.6	-0.1	-0.8	-0.5
Other assets	£m	0.9	0.4	0.5	0.7
Other liabilities	£m	0.0	0.0	0.0	0.0
Gross cash & cash equivs	£m	5.0	2.0	4.1	1.8
Capital employed	**£m**	**5.3**	**2.3**	**6.0**	**3.9**
Gross debt	£m	0.0	0.0	0.0	0.0
Net pension liability	£m	0.0	0.0	0.0	0.0
Shareholders equity	£m	5.3	2.3	6.0	3.9
Minorities	£m	0.0	0.0	0.0	0.0
Capital employed	**£m**	**5.3**	**2.3**	**6.0**	**3.9**

Leverage analysis		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Net bank debt / equity	%	no debt	no debt	no debt	no debt
Net bank debt / EBITDA	x	n/a	n/a	n/a	n/a
Liabilities / capital employed	%	0.0%	0.0%	0.0%	0.0%

Capital efficiency & intrinsic value		2023A	2024A	2025A	2026E
Year end:		Mar	Mar	Mar	Mar
Adjusted return on equity	%	-72.8%	-128.2%	-30.6%	-51.5%
RoCE (EBIT basis, pre-tax)	%	-92.6%	-146.5%	-33.6%	-59.7%
RoCE (u/lying FCF basis)	%	-77.5%	-128.5%	-22.1%	-61.8%
NAV per share	p	1.9	0.9	0.3	0.2
NTA per share	p	1.9	0.8	0.2	0.1

FY25 results

TheraCryf's FY results to March 2025 are summarised in Figure 1, which shows the company significantly reducing its operating expenses versus FY24A and against our forecast. The benefit of this reduced loss was carried down the P&L to the net income line.

The company ended the period with net cash and equivalents of £4.1m, supported by the £4.25m (gross) equity raise completed in February 2025.

Figure 1: 2025 full year results actuals vs estimates

Year to end March (£'000m)	2024	2025E	2025A	Delta from forecast (£000)	Growth (%)
Revenue	396	-	-		
Operating expenses	(3,825)	(2,310)	(2,007)	303	-13%
Share based payment	(137)	(150)	(117)		
Total operating expenses	(3,962)	(2,460)	(2,124)	336	-14%
Company stated EBIT	**(3,566)**	**(2,460)**	(2,124)	336	-14%
Add back share-based payments	137	150	117		
Add back D&A	12	124	70	(54)	
Adjusted EBITDA	**(3,417)**	**(2,186)**	(1,937)	249	-11%
Finance income	-	10	39		
Pre-tax loss	**(3,566)**	**(2,450)**	(2,085)	365	-15%
Taxation	429	150	144		
Net loss	**(3,137)**	**(2,300)**	(1,941)	359	-16%
Basic and Diluted EPS (p)	(1.14)	(0.54)	(0.36)	0.18	-33%
Net cash (£m)	**2.0**	**0.9**	4.1	3.20	351%

Source: Cavendish estimates

Operating expenses

The operating loss for the year was £2.1m, a marked reduction versus the loss of £3.6m for FY24A. The reduction was supported by reduced external spend on R&D, which decreased by £1.4m to £0.3m versus £1.7m for FY24A. This reflects reduced product manufacturing work and the completion of the phase 1/1b clinical study as well as tight overall cost management that included a voluntary reduction in management salaries and share-based bonuses rather than cash contributed.

Net cash

TheraCryf finished the year with a net cash position of £4.1m supported by reduced R&D and corporate costs and the equity raise completed in February 2025. Cash will be allocated towards advancing the pre-clinical development of TheraCryf's Ox-1 blocker to clinical trial readiness.

Outlook

TheraCryf's strategy is focused on its behavioural brain disorder assets, while retaining the opportunity to develop SFX-01 through externally funded collaborations.

Through CY25 and CY26, TheraCryf intends to develop its lead Ox-1 antagonist asset to the stage where the company can submit an application to take the product into human clinical trials. This will involve the optimisation and scale -up of manufacturing and the completion of pre-clinical development, including two toxicology studies.

Manufacturing capacity has been secured which will provide sufficient amounts of Ox-1 to supply the toxicology studies and cover the requirements for regulatory submission documentation and future clinical trial quantities.

TheraCryf's cash runway is expected to see it through to the completion of these significant development milestones.

Operational developments

Notable operational highlights across Theracryf's pipeline during the period included:

Board appointment

— Dr Alastair Smith was appointed as Non-Executive Chairman, bringing over 20 years' life science experience in public company growth and strategy, having founded and led Avacta Group as CEO until last year. Alastair also serves as a Non-Executive Director of N4 Pharma plc and Non-Executive Chairman of SPARTA Biodiscovery Ltd.

— Edward Wardle appointed as a Non-Executive Director, post-period end.

Ox-1 programme

— Notification from the European Patent Office of an intention to grant a composition of matter patent for the acquired OX-1 antagonist asset, complementing patents already granted in territories such as the USA.

— Composition of matter patents are the strongest form of intellectual property available and the new patent complements patents in this family already awarded in the USA and Asia.

— Post period TheraCryf announced it has secured a master services agreement (MSA) with Pharmaron UK, a leading contract manufacturing and research organisation (CDMO/CRO), to progress development of TCF's Ox-1 addiction programme.

— Under the agreement, Pharmaron will support the completion of the remaining pre-clinical data required to enable a clinical trial authorisation (IND/CTA) application. This work will include manufacturing scale-up, formulation development, clinical trial drug supply, and regulatory-compliant toxicology studies – representing the final stages of pre-clinical development before human trials begin.

— Full completion of the studies necessary to support the IND/CTA submission is anticipated in the second half of 2026, which we would view as a key milestone for the programme.

DAT programme

— A further and as yet unexploited programme from the Chronos acquisition is an atypical inhibitor of the brain dopamine re-uptake system (DAT). TheraCryf has proof of concept studies in narcolepsy and fatigue including fatigue due to multiple sclerosis which represents a high unmet medical need and underserved market. This asset, which has granted patents is at the same stage as TheraCryf's Ox-1 programme, requiring IND/CTA standard manufacturing and toxicology studies in order to allow administration in Phase 1 human studies. If funded, we see this programme as further potential upside value for the company.

SFX-01

Glioblastoma

Development work for SFX-01 in glioblastoma (aggressive brain cancer) remains ongoing with studies being undertaken in the laboratory and clinic at the Erasmus MC Cancer Institute and being led by Dr Marjolein Geurts, neuro-oncologist at the Erasmus University Medical Centre, the Netherlands. Dr Geurts's group has secured grant financing that should be sufficient to:

— Cover use of SFX-01 in pre-clinical glioblastoma models, followed by;

— A clinical Investigator Sponsored Study (ISS) window-of-opportunity study in glioblastoma patients, to establish the presence of the drug in human brain tumours and engagement with relevant molecular targets in excised tumour tissue.

In our view, these studies should help shape the design of a future Phase II clinical study for SFX-01 in glioblastoma. The investigator led **window of opportunity study is expected to start in 2026.**

Publication of clinical data

— In July 2024, TheraCryf announced that the company's collaborators at Sapienza University of Rome had a full paper published in BMC Cancer on SFX-01 in rhabdomyosarcoma (RMS) models.

— The publication was based on positive pre-clinical data (in-vitro as well as in-vivo) demonstrating SFX-01's effectiveness in reducing the growth of tumour cells grown in a laboratory setting and tumour masses in a mouse model of RMS.

— These studies highlight the potential for additional and in some cases synergistic (a more positive outcome than would be expected by simply adding the two agents together) effects of SFX-01 when used alongside current standard of care radiotherapy.

— Post period (Nov. 2024), TheraCryf announced the publication of data from its successful Phase Ib healthy volunteer study investigating the pharmacokinetic and safety/tolerability data of the company's lead clinical asset SFX-01 in the peer-reviewed journal, Advances in Therapy.

— The positive data demonstrated that a new enteric coated tablet formation of SFX-01 performed as designed, delivering both drug and active metabolites, whilst being safe and well tolerated.

— Together, we believe these publications should help elevate the profile of SFX-01 within both the clinical and research community.

Upcoming News flow

With the extended cash runway, TheraCryf has almost tripled the number of potential news flow and catalytic share-price events that may materialise over the next 6-24 months including.

Figure 1: TheraCryf expected news flow

Date	Event
2Q25	- Neuropsychiatry programme restarts - Ox-1 manufacturing optimisation commences - New board appointment's
	- Further SFX-01 in vivo data from Erasmus GBM collaboration expected - Ox-1 bulk manufacturing commences
3Q25	- Ox-1 bulk manufacturing complete - Ox-1 formulation for toxicology studies complete
4Q25	- Ox-1 chronic toxicology studies commence - SFX-01 GBM clinical trial preparations commence
1H26	- SFX-01 1st GBM patients dosed in Ph0 study - Ox-1 enabling studies, for first in man clinical trials, complete - Ox-1 regulatory submission (IND/CTA) outcome of regulatory interactions (MHRA/FDA etc)
2H26	- SFX-01 GBM clinical data flow - **Ox- 1 MHRA/FDA submission / approval for Phase 1 study**

Source: Cavendish

Forecasts

We have extended our forecasts to FY26, as shown in the table below. We anticipate the company maintaining its tight cost control, forecasting total operating costs for FY26E in line with the reported FY25 expense. We expect the company to close FY26E with cash of c£1.8m, providing a cash runway to the end of CY26.

Figure 2: FY 2026 forecasts

Year to end March (£'000)	New 2026E
Revenue	0
Total operating expenses	-2,500
EBIT	-2,500
Add back share-based payments	*150*
Add back D&A	*116*
EBITDA (adjusted)	**-2,234**
Net interest	21
PBT	**-2,479**
Tax credit	300
Net loss	-2,179
Basic and Diluted EPS	-0.10
Net Cash (£m)	1.8

Source: Cavendish estimates

We introduce our FY26E forecasts for TheraCryf in the table above:

— FY26E operating expenses are expected to be c£2.5m (FY25: £2.1m) with the ramp up associated with increased developmental activities associated with the Ox-1 programme.

— We expect net cash at the end of the period to be c£1.8m.

While our current forecast period runs only through FY26E (March 2026), management has guided that TheraCryf's existing cash reserves provide an operational runway until the end of calendar year 2026.

Other useful information

Key shareholders

	%
Northern Standard Limited	19.7
First Equity Limited	8.3
T and I Limited	7.5
Spreadex Limited	4.3
Oberon Investments Limited	3.7
A Leach	3.7
S Gibeon	3.3

Source: Theracryf

Board of directors and Management

Name	Description
Dr Alastair Smith	Non-executive Chairman
Dr Huw Jones	Chief Executive Officer
Toni Hänninen	Chief Financial Officer
Dr Helen Kuhlman	Chief Business Officer
Dr Glen Clack	Chief Medical Officer
Dr Alan Barge	Non-executive Director
Dr Nicholas Mallard	VP

Source: Cavendish

Company description

TheraCryf is the clinical stage drug development company focussing on oncology and neuropsychiatry. The Company has a broad clinical and preclinical pipeline in indications including glioblastoma* neurodevelopmental disorders, addiction, anxiety and narcolepsy [*orphan indication]. The Company's strategy is to generate compelling data sets to preclinical and/or clinical proof of concept and partner its clinical programmes with mid-size to large pharma for larger trials and commercialisation. As well as a number of industry partnerships with companies, including Stalicla SA, in neurodevelopmental disorders. The Company has sourced know how for programmes from companies such as Shire (now Takeda). TheraCryf has worked with and has ongoing collaborations with major universities and hospitals such as the University of Manchester, La Sapienza (Università di Roma), the Erasmus Medical Centre, Rotterdam, Kings College London and the University of Michigan.

Source: Cavendish

Figure 3: Need to know table

Founded	2007
IPO	2015
Offices	Alderley Park, Cheshire, United Kingdom
Key assets	SFX-01 – a clinical-stage small molecule with potential therapeutic applications in both oncology and neurology Neuropsychiatry assets including Ox-1 in addiction – novel, pre-clinical, small molecules with potential applications in neuropsychiatric indications
Last funding activity	April 2024: £0.9m gross (via placing and open offer) February 2025: £4.25m gross (via placing and subscription)

Source: Cavendish

Investment risk

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Non-UK stocks

International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk.

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Definition of research recommendations
Expected absolute returns
BUY is an expected return greater than 10%
HOLD is an expected return -10% - +10%
SELL is an expected return less than -10%
UNDER REVIEW: recommendation and/or forecasts are under review pending further clarity as to the company's financial and/or operational position
CORP: denotes corporate client of Cavendish Securities plc, Cavendish Capital Markets Limited and Cavendish Corporate Finance LLP

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	Corporate client no.	Corporate client %	Total no.	Total %
Buy	1	0.8%	23	15.2%
Hold	0	0.0%	0	0.0%
Sell	0	0.0%	0	0.0%
Under Review	0	0.0%	0	0.0%
Corp	120	96.8%	128	84.8%

Temporary movements by stocks across the boundaries of these categories due to share price volatility will not necessarily trigger a recommendation change. All recommendations are based on 12-month time horizon unless otherwise stated.

Recommendation history

Company	Disclosures	Date	Rec	Price	Target price
TheraCryf	2,6,8,9,10,11	2 April 19	Corp	18.7p	44.3p

Source: Cavendish

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