TheraCryf

1HFY26 – Good progress on Ox-1; results as expected

3 December 2025

Price
0.2p

TICKER
TCF

Market Cap
£4.1m

Net cash (30 Sep 2025)
£3.5m

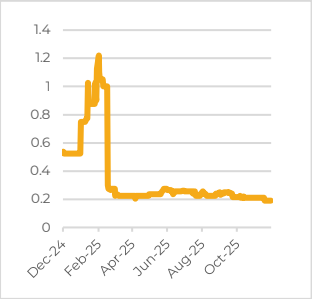
Free Float
58%

3mo Av. Daily Volume
3.0m

Broker
Singer
Turner Pope

Index
AIM

Share Price Performance



Source: Bloomberg

TheraCryf is a clinical stage drug development company working to commercialise its expanded portfolio of three drug development candidates. The company's focus is brain disorders with priority to its Ox-1 programme. The company is financed through end 2026.

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Drug developer focused on brain disorders whose lead asset is Ox-1

TheraCryf's 1HFY26 results to September, confirm that the company is making strong progress towards clinical readiness for its Ox-1 lead clinical asset and the results were in line with expectations. There was a modest cash burn in the half of £0.7m, with cash and net cash ending the period at £3.5m. TheraCryf reiterated that it is funded through to the end of calendar 2026 when Ox-1 should be ready for clinical trials in humans, a key value inflection point. TheraCryf's valuation remains nugatory in relation to peers (Figure 1) and particularly in relation to pharma deals for Central Nervous System (CNS) compounds which typically attract upfront payments c5x TheraCryf's current market capitalisation for pre-clinical assets rising to c9x at clinical readiness with overall deal valuation at over 70x and over 100x at pre-clinical and clinical transaction points respectively.

Development of TheraCryf's Ox-1 lead clinical asset is now underway targeting the addiction market worth US$40.3bn in 2024 and growing rapidly. The company believes its Ox-1 compound is the most selective under development and was substantially de-risked by Chronos, pre-acquisition (see Orexin programme). TheraCryf'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. Besides Ox-1, Chronos' portfolio also includes an atypical dopamine transporter (DAT) inhibitor with potential utility in fatigue.

Pharmaron was appointed as TheraCryf's Contract Development and Manufacturing Organisation in May and is contracted to complete the remaining preclinical data packages required to support an application for clinical authorisation for Ox-1. Strong progress has been made with the development of an optimal formulation completed, the first 0.5kg batch delivered ahead of schedule, and production of the 10kg batch and the 2kg of human grade material for use in clinical studies underway. The *in vivo* toxicology studies using the 10kg material are expected to commence in early 2026.

TheraCryf reported a loss of £1.3m for the half (1HFY25 loss of £1.2m) while net cash used in operations of £0.7m (1HFY25 cash utilised of £1.4m) benefitted from tax receipts of £0.4m. We make minimal changes to our forecasts. TheraCryf's dispute with Stalicla over an unpaid US$0.5m milestone payment remains unresolved but is excluded from cash runway guidance.

Third party funded development of TheraCryf's SFX-01 synthetic sulforaphane molecule for the treatment of the aggressive brain cancer, Glioblastoma (GBM), continues at Erasmus University in the Netherlands. The next steps in this programme are to administer SFX-01 to pre-clinical models of GBM and, if successful seek permission to move to clinical trials.

TheraCryf has focused its resources on progressing its Ox-1 lead clinical asset to clinical trial readiness. These results confirm the strong progress it is making and the company remains funded through to the end of 2026 when Ox-1 should be ready for clinical trials, yet the valuation remains nugatory versus peers and particularly in light of strong interest in CNS assets by big pharma.

At a Glance (Yr. to Mar)	Revenue (£k)	Opex (£k)	Net profit/ (loss) (£k)	Dil EPS (p)	Net (cash)/ debt (£k)*
FY23A	442	(5,546)	(4,043)	(1.47)	(5,000)
FY24A	396	(3,962)	(3,137)	(1.14)	(2,004)
FY25A	0	(2,124)	(1,941)	(0.36)	(4,114)
FY26E	0	(3,084)	(2,477)	(0.12)	(1,750)
FY27E	0	(3,084)	(2,535)	(0.12)	334

*Source: TheraCryf, CAG Research. *Excludes any milestone payment.*

Figure 1: TheraCryf valuation to peers

Company	Mkt cap (£m)	Disclosed max milestone (US$m)	Disclosed milestone /mkt cap (X)	EV (£m)	Disclosed milestone /EV (X)	Most advanced current trial	Net cash /(debt) (£m)*	Focus
TheraCryf	**4.1**	**161**	29.9	**0.6**	209.2	**Phase 1**	**3.5**	**Brain disorders**
Scancell	100.1	630	4.8	99.0	4.8	Phase 2	1.1	Cancer and infectious diseases
Hemogenyx Pharma	37.9	n/a	n/a	35.4	n/a	Phase 1	2.4	Blood disease
Immupharma	32.2	n/a	n/a	31.6	n/a	Phase 2/3	0.5	Autoimmunity & inflammation; anti-infection
Arecor Therapeutics	27.4	n/d	n/a	25.5	n/a	Phase 1	1.9	Diabetes; reformulating existing therapies using Arestat™ platform
Poolbeg Pharma	25.4	n/a	n/a	15.5	n/a	Phase 1	10.0	Cancer
Genflow Bioscience	8.8	n/a	n/a	8.0	n/a	Pre-clinical	0.7	Slowing aging
Roquefort Therapeutics	2.6	25	7.3	2.6	7.3	Pre-clinical	0.0	Cancer
ValiRX	2.2	21	7.1	0.8	19.7	Pre-clinical	1.4	Cancer, women's health

*Source: Bloomberg, Companies, CAG Research. *Adjusted for post-period fund raises.*

Orexin programme

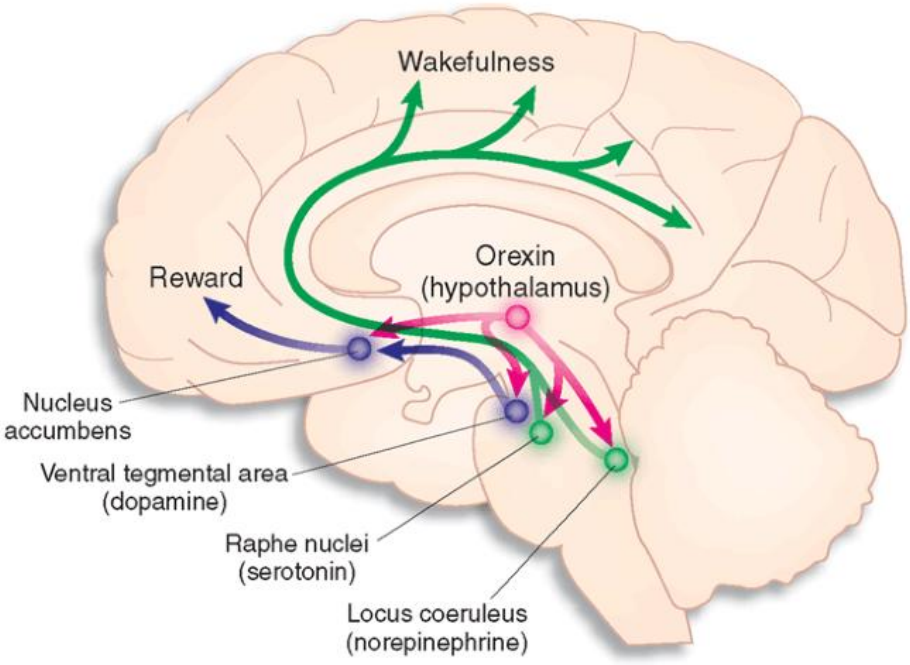
The orexin programme targets addictive disorders and anxiety. The lead pre-clinical candidate in the programme is an orexin-1 receptor antagonist which is initially targeted at the treatment of Binge Eating Disorder, a condition more common than anorexia and bulimia combined. Prior to its acquisition, Chronos had demonstrated positive pre-clinical proof of concept for the compound via an *in-vivo* model which has a potential annual market value in excess of US$1bn pa. TheraCryf has appointed Pharmaron as its pre-clinical development partner and manufacturing and scale up of the OX-1 compound has commenced.

TheraCryf's lead clinical candidate is an orexin-1 receptor antagonist whose target is addictive disorders. The addiction market overall was valued at US$40.3bn in 2024 and is projected to increase to US$67.6bn by 2034.

There are two types of orexin receptors, Ox-1 and Ox-2, found in the central nervous system which play a key regulatory role in many physiological processes, particularly relating to reward and sleep/wakefulness. The action of the orexin system is strongly associated with addictive behaviour. While the action of the receptors is overlapping, the Ox-1 receptor is especially associated with reward, feeding behaviour, and anxiety while the Ox-2 receptor is associated with sleep/wakefulness.

The receptors are triggered by Orexin-A and Orexin-B which are neuropeptides produced by neurons in the hypothalamus (Figure 2). The Ox-1 receptor binds differentially to Orexin-A.

Figure 2: Orexin pathways



Source: Nature Medicine, CAG Research.

Orexin antagonists block the action of the orexin receptors in binding to the Orexin-A and Orexin-B signals generated from the hypothalamus and are a fairly recent development in drug therapy. To date, the principal target condition has been insomnia with Suvorexant, approved for use in the US in 2014, proving successful as it has favourable tolerability and fewer side-effects

than the pre-existing standard of care treatments which had different targets. However, the principal medical need targeted by TheraCryf's orexin programme is addictive disorder.

Suvorexant acts to block both orexin receptors and so is known as a dual orexin receptor antagonist. The primary target of TheraCryf's orexin programme is the Ox-1 receptor as the clinical need it is addressing is addictive disorder.

For the compound to be successful it needs to produce a sustained reduction in addictive desire while also avoiding any disproportionate impact on sleep/wakefulness. To do this it needs to be highly selective for the Ox-1 receptor over the Ox-2 receptor. The initial target condition is Binge Eating Disorder (BED) which is a recognised psychiatric condition. Chronos demonstrated positive pre-clinical proof of concepts for the compound in an *in vivo* rodent model of binge.

BED is more common than anorexia and bulimia combined and is not treatable with approved anti-obesity drugs. BED involves regularly eating uncontrollably and excessively over a short period of time until the sufferer is uncomfortably full but does not generally include subsequently purging the food through vomiting, which is the additional characteristic of Bulimia. Binges are sometimes planned in advance but can be spontaneous. The binging is usually done alone and is often associated with guilt or shame and anxiety.

The only approved drug for the treatment of BED is Vyvanse (Lisdexamfetamine Dimesulate) and it is only approved for use in the US. However, as Vyvanse is amphetamine based it is a class II controlled drug which carries a serious risk of addiction which is particularly pertinent given that some 25% of those suffering from BED have a history of substance abuse.

BED is estimated to affect 1.4% of the population amounting to over 13m people across the US, EU and Japan alone.

Market research by Chronos indicated a peak sales projection for its orexin-1 receptor antagonist of over US$1bn pa in the treatment of BED but it is also anticipated to have potential wider applicability in the treatment of addictive disorders, anxiety, impulse control disorders and post-traumatic stress disorder (PTSD).

TheraCryf signed a Master Services Agreement last May with Pharmaron, a leading CRO/CDMO, as its pre-clinical development partner. Pharmaron is producing the kilogramme quantities of Ox-1 required to complete pre-clinical studies leading to Investigation New Drug Application (IND)/Clinical Trial Application (CTA) during 2025. The second part of the completion of pre-clinical development will be to conduct two toxicology studies, each lasting 28 days on two different species to confirm the benign toxicology profile already evidenced in prior experiments lasting seven days at high doses.

Summary financial statements

March year end, £k	FY23A	FY24A	FY25A	FY26E	FY27E
Profit & loss					
Revenue	442	396	0	0	0
Operating expenses	(5,389)	(3,825)	(2,007)	(2,934)	(2,934)
Share based compensation	(157)	(137)	(117)	(150)	(150)
Total operating expenses	**(5,546)**	**(3,962)**	**(2,124)**	**(3,084)**	**(3,084)**
Operating loss	**(5,104)**	**(3,566)**	**(2,124)**	**(3,084)**	**(3,084)**
Finance income	98	0	39	100	30
Pre-tax loss	**(5,006)**	**(3,566)**	**(2,085)**	**(2,984)**	**(3,054)**
Taxation	963	429	144	507	519
Attributable loss	**(4,043)**	**(3,137)**	**(1,941)**	**(2,477)**	**(2,535)**
Basic loss per share	(1.47p)	(1.14p)	(0.36p)	(0.12p)	(0.12p)
Diluted loss per share	(1.47p)	(1.14p)	(0.36p)	(0.12p)	(0.12p)
Cash flow					
Pre-tax loss	(5,006)	(3,566)	(2,085)	(2,984)	(3,054)
Interest (income)/expense	(98)	0	(5)	(100)	(30)
Depreciation & amortisation	13	12	69	72	72
Share based compensation	157	137	117	150	150
Operating cash flow before working capital	**(4,934)**	**(3,417)**	**(1,904)**	**(2,862)**	**(2,862)**
Delta working capital	**332**	**(492)**	**(493)**	**0**	**0**
Cash used in operations	**(4,602)**	**(3,909)**	**(2,397)**	**(2,862)**	**(2,862)**
Taxation received	475	913	30	400	750
Net cash used in operations	**(4,127)**	**(2,996)**	**(2,367)**	**(2,462)**	**(2,112)**
Monies (to)/from short term investments	4,520	0	(2,005)	0	0
Interest income	98	0	5	100	30
Acquisition of tangible assets	(1)	0	0	(2)	(2)
Purchase of subsidiary, net of cash acquired	0	0	(75)	0	0
Net cash (used in)/generated from investing	**4,617**	**0**	**(2,075)**	**98**	**28**
Net equity issuance	0	0	4,547	0	0
Net cash generated from financing	**0**	**0**	**4,547**	**0**	**0**
Implied delta net debt	**4,030**	**2,996**	**(2,110)**	**2,364**	**2,084**
Summary balance sheet					
Total non-current assets	46	34	2,460	2.390	2,320
Net assets	5,341	2,341	5,969	3,642	1,257
Total equity	5,341	2,341	5,969	3,642	1,257
Net debt/(cash) (IAS 17)	**(5,000)**	**(2,004)**	**(4,114)**	**(1,750)**	**334**
Net debt/(cash) (IFRS 16)	**(5,000)**	**(2,004)**	**(4,114)**	**(1,750)**	**334**

Source: TheraCryf, CAG Research.

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