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COMPANY NOTE
20 July 2026

OKYO Pharma Ltd. (OKYO) — Overweight

FY '26: Recent Regulatory Update Provides Solid Path to Potential Approval

CONCLUSION

This morning, OKYO filed its FY2026 Annual Report (Form 20-F), highlighting a strengthened balance sheet and a clear regulatory path for its lead asset, urcosimod. Following a successful $22M public offering in Feb. 2026, OKYO ended the fiscal year (March 31, 2026) with $20.6M in cash, which mgmt confirms is sufficient to fund the global Phase 3 NEPTUNE pivotal trial to completion. With recent FDA alignment on a streamlined, Phase 3 design and potential for a single-trial registration, OKYO is positioned to initiate the NEPTUNE trial in 2H 2026, with topline data expected in 4Q27. With a $50M market cap, we think OKYO offers a significant risk-reward potential given urcosimod is close to entering pivotal trials and has shown a promising profile in neuropathic corneal pain.

- **Pipeline & Regulatory Updates**: OKYO is advancing its lead candidate, urcosimod, toward a global Phase 3 pivotal trial (NEPTUNE) for the treatment of neuropathic corneal pain (NCP), with initiation targeted for 2H26. OKYO recently announced FDA alignment on a streamlined Phase 3 pivotal trial, with potential for the trial to support single-trial registration (see note for more details). The NEPTUNE study is designed as a randomized (2:1), placebo-controlled trial enrolling approximately 111 patients to evaluate a single-dose regimen (0.05% urcosimod vs placebo) over 12 weeks. The primary endpoint in NEPTUNE is ocular pain reduction on the 10-point VAS scale at Week 12, with FDA alignment that a >2-point improvement on VAS would be considered clinically meaningful. Topline data from NEPTUNE is anticipated in 4Q27. The company has disclosed that it plans to activate 14 clinical sites (9 in the U.S.; 5 in EU) and believes enrollment can complete in 9 months. Mgmt emphasized several placebo-mitigation strategies (anesthetic eye-drop responder screen, baseline pain stimulus test), along with enrollment restricted to a moderate-to-severe (VAS ≥5) patient population, which should enrich for hopefully a treatment responder population and reduce risk of placebo responders. As a result, we think the NEPTUNE trial is appropriately designed to optimize for a successful outcome.

- **Fiscal Year 2026 Financial Update**: OKYO ended the fiscal year on March 31, 2026, with a strengthened balance sheet, reporting cash and cash equivalents of approximately $20.6M. This financial position was bolstered by a successful public offering in Feb '26 that raised ~$22M in gross proceeds. Mgmt has confirmed that this capital infusion provides runway through completion of the global Phase 3 NEPTUNE pivotal trial. R&D expenses for the 2026 fiscal year were $1.8M (vs our estimates of $7.6M), with OKYO reporting basic and diluted EPS of ($0.24)/share vs our estimate of ($0.22)/share.

RISKS TO ACHIEVEMENT OF PT & RECOMMENDATION

Risks include clinical, regulatory, commercial, financing and IP.

COMPANY DESCRIPTION

OKYO is developing a first-in-class chemerin receptor agonist for Neuropathic Corneal Pain (NCP).

PRICE: US$1.43
TARGET: US$7.00
Our $7 PT is based on a DCF through 2035E(15% discount rate) and assumes ~ $328Min peak risk-adjusted Urcosimod sales in Neuropathic Corneal Pain, Post Surgery and Dry Eye Disease, in both the US and EU.

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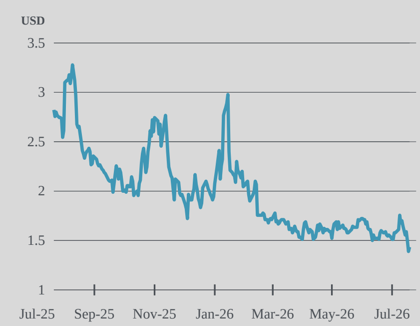
Changes	Previous	Current
Rating	—	Overweight
Price Tgt	—	US$7.00
FY26A Rev (mil)	—	US$0.0
FY27E Rev (mil)	—	US$0.0
FY26A EPS	US$(0.22)	US$(0.24)
FY27E EPS	US$(0.34)	US$(0.30)

52-Week High / Low	US$3.35 / US$1.34
Shares Out (mil)	37.4
Market Cap. (mil)	US$53.5
Avg Daily Vol (000)	82
Div Yield	0.00%
Fiscal Year End	Dec

Price Performance - 1 Year



Source: Bloomberg

YEAR	REVENUE (US$ m)					EARNINGS PER SHARE (US$)					
	Mar	Jun	Sep	Dec	FY	Mar	Jun	Sep	Dec	FY	FY P/E
2025A	0.0	—	0.0	—	0.0	(0.08)	—	(0.05)	—	(0.12)	NM
2026A	0.0	—	0.0	—	0.0	(0.07)	—	(0.17)	—	(0.24)	NM
2027E	0.0	—	0.0	—	0.0	(0.15)	—	(0.15)	—	(0.30)	NM

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OKYO P&L (data in $M except EPS)	2024A	1H25A	2H25A	2025A	1H26A	2H26A	2026A	1H27E	2H27E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Product Revenue - US	-	-	-	-	-	-	-	-	-	-	11.0	22.7	36.1	61.5	100.1	129.3	162.6	210.5
Product Revenue - EU	-	-	-	-	-	-	-	-	-	-	-	9.5	19.1	29.3	48.6	77.2	96.8	117.7
Revenue	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**11.0**	**32.2**	**55.2**	**90.8**	**148.7**	**206.5**	**259.4**	**328.2**
COGS	-	-	-	-	-	-	-	-	-	-	1.1	3.0	4.9	7.5	11.6	15.2	17.9	21.3
R&D	8.2	2.2	0.0	2.3	(0.0)	1.9	1.8	2.0	2.2	4.3	4.7	4.0	3.4	2.7	2.9	2.9	2.9	3.0
Operating Expenses	7.5	1.1	3.7	4.8	2.5	4.1	6.7	3.5	3.6	7.0	57.4	75.2	79.0	83.0	87.1	91.5	96.0	100.8
Total operating expenses	**15.7**	**3.3**	**3.8**	**7.1**	**2.5**	**6.0**	**8.5**	**5.6**	**5.8**	**11.3**	**63.2**	**82.3**	**87.3**	**93.2**	**101.6**	**109.5**	**116.9**	**125.1**
Income (loss) from operations	**(15.7)**	**(3.3)**	**(3.8)**	**(7.1)**	**(2.5)**	**(6.0)**	**(8.5)**	**(5.6)**	**(5.8)**	**(11.3)**	**(52.2)**	**(50.1)**	**(32.1)**	**(2.4)**	**47.1**	**97.0**	**142.5**	**203.1**
Interest income (expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating income (expense)	(1.1)	(0.8)	(0.1)	(0.9)	(0.1)	(0.4)	(0.4)	-	-	-	-	-	-	-	-	-	-	-
Total non-operating income	(1.1)	(0.8)	(0.1)	(0.9)	(0.1)	(0.4)	(0.4)	-	-	-	-	-	-	-	-	-	-	-
Earnings (loss) before taxes	(16.8)	(4.1)	(3.9)	(8.0)	(2.6)	(6.4)	(8.9)	(5.6)	(5.8)	(11.3)	(52.2)	(50.1)	(32.1)	(2.4)	47.1	97.0	142.5	203.1
Provision (benefit) for income taxes	(0.0)	(1.4)	(1.8)	(3.3)	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	55.9
Net income (loss)	(16.8)	(2.7)	(2.0)	(4.7)	(2.6)	(6.4)	(8.9)	(5.6)	(5.8)	(11.3)	(52.2)	(50.1)	(32.1)	(2.4)	47.1	97.0	142.5	147.3
Other comprehensive gain (loss)	0.1	(0.5)	0.3	(0.2)	(0.3)	(0.3)	(0.7)	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to common stockholders	**($16.6)**	**($3.2)**	**($1.7)**	**($4.9)**	**($2.9)**	**($6.7)**	**($9.6)**	**($5.6)**	**($5.8)**	**($11.3)**	**($52.2)**	**($50.1)**	**($32.1)**	**($2.4)**	**$47.1**	**$97.0**	**$142.5**	**$147.3**
Basic EPS, GAAP	**($0.57)**	**($0.08)**	**($0.05)**	**($0.12)**	**($0.07)**	**($0.17)**	**($0.24)**	**($0.15)**	**($0.15)**	**($0.30)**	**($0.89)**	**($0.85)**	**($0.54)**	**($0.04)**	**$0.78**	**$1.60**	**$2.33**	**$2.39**
Diluted EPS, GAAP	**($0.57)**	**($0.08)**	**($0.05)**	**($0.12)**	**($0.07)**	**($0.17)**	**($0.24)**	**($0.15)**	**($0.15)**	**($0.30)**	**($0.89)**	**($0.85)**	**($0.54)**	**($0.04)**	**$0.78**	**$1.60**	**$2.33**	**$2.39**
Non-GAAP adjustments																		
Interest (income) expense, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Stock-based compensation	1.1	0.4	0.3	0.7	0.5	1.1	1.6	0.9	1.0	1.9	8.7	10.3	9.9	9.4	9.0	9.4	9.9	10.4
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-GAAP adjustments	**1.1**	**0.4**	**0.3**	**0.7**	**0.5**	**1.1**	**1.6**	**3.4**	**3.5**	**6.9**	**13.7**	**15.3**	**14.9**	**14.4**	**14.0**	**14.4**	**14.9**	**15.4**
Net income, Non-GAAP	**(15.5)**	**(2.7)**	**(1.4)**	**(4.1)**	**(2.4)**	**(5.6)**	**(8.0)**	**(2.1)**	**(2.3)**	**(4.4)**	**(38.5)**	**(34.8)**	**(17.2)**	**12.0**	**61.1**	**111.4**	**157.4**	**162.7**
Pro-forma EPS, Non-GAAP	**($0.53)**	**($0.08)**	**($0.04)**	**($0.10)**	**($0.06)**	**($0.15)**	**($0.21)**	**($0.06)**	**($0.06)**	**($0.12)**	**($0.66)**	**($0.59)**	**($0.29)**	**$0.20**	**$1.01**	**$1.84**	**$2.58**	**$2.64**
Basic shares outstanding	29.3	33.6	39.5	39.5	37.4	37.4	37.4	37.6	37.8	37.8	58.7	59.1	59.5	59.9	60.3	60.7	61.1	61.5
Diluted shares outstanding	29.3	33.6	39.5	39.5	37.4	37.4	37.4	37.6	37.8	37.8	58.7	59.1	59.5	59.9	60.3	60.7	61.1	61.5

OKYO BS and CF statement (data in $M)	2024A	1H25A	2H25A	2025A	1H26A	2H26A	2026A	1H27E	2H27E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Net Cash	**1**	**0**	**1**	**1**	**3**	**15**	**15**	**9**	**5**	**5**	**112**	**72**	**50**	**57**	**113**	**219**	**372**	**529**
Cash and cash equivalents	0.8	1.0	1.6	1.6	4.2	14.6	14.6	10.0	5.1	5.2	111.7	71.9	49.7	56.7	112.8	219.3	371.7	529.4
Debt	-	0.6	1.0	1.0	1.0	-	-	1.0	-	-	-	-	-	-	-	-	-	-
Change in cash	**(3.3)**	**0.2**	**0.6**	**0.7**	**2.7**	**10.4**	**13.0**	**(4.6)**	**(4.8)**	**(9.4)**	**106.5**	**(39.8)**	**(22.2)**	**7.0**	**56.1**	**106.4**	**152.4**	**157.7**
Cash Flows from Operations	**(9.5)**	**(0.2)**	**(1.6)**	**(1.8)**	**(1.5)**	**(4.4)**	**(5.9)**	**(2.1)**	**(2.3)**	**(4.4)**	**(38.5)**	**(34.8)**	**(17.2)**	**12.0**	**61.1**	**111.4**	**157.4**	**162.7**
Net Income	(16.8)	(2.7)	(2.0)	(4.7)	(2.6)	(6.4)	(8.9)	(5.6)	(5.8)	(11.3)	(52.2)	(50.1)	(32.1)	(2.4)	47.1	97.0	142.5	147.3
SOE	1.1	0.4	0.3	0.7	0.5	1.1	1.6	0.9	1.0	1.9	8.7	10.3	9.9	9.4	9.0	9.4	9.9	10.4
D/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Other	6.2	2.0	0.1	2.2	0.5	0.9	1.4	-	-	-	-	-	-	-	-	-	-	-
Cash Flows from Investing	**-**	**-**	**(0.0)**	**(0.0)**	**-**	**(6.0)**	**(6.0)**	**(2.5)**	**(2.5)**	**(5.0)**	**(5.0)**	**(5.0)**	**(5.0)**	**(5.0)**	**(5.0)**	**(5.0)**	**(5.0)**	**(5.0)**
Cap/Ex	-	-	(0.0)	(0.0)	-	(0.0)	(0.0)	(2.5)	(2.5)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Other	-	-	-	-	-	(6.0)	(6.0)	-	-	-	-	-	-	-	-	-	-	-
Cash Flows from Financing	**6.2**	**0.6**	**2.1**	**2.7**	**4.3**	**20.7**	**25.0**	**-**	**-**	**-**	**150.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity raise/options exercise (buyback)	6.2	-	1.7	1.7	4.3	20.7	25.0			-	150.0	-	-	-	-	-	-	-
Debt raise (payback)	-	0.6	0.4	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	0.0	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Note: Non-Cash Conversion of Debt		-	-	-	-	(1.0)	(1.0)	-	-	-	-	-	-	-	-	-	-	-
Fx		(0.2)	0.0	(0.1)	(0.1)	0.1	(0.0)	-	-	-	-	-	-	-	-	-	-	-

Source: Piper Sandler estimates & company filings

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S: Suspending Coverage
OW: Overweight
N: Neutral
UW: Underweight
NA: Not Available
UR: Under Review

Distribution of Ratings/IB Services
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			IB Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY [OW]	**494**	**62.69**	**145**	**29.35**
HOLD [N]	**285**	**36.17**	**46**	**16.14**
SELL [UW]	**9**	**1.14**	**2**	**22.22**

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