OKYO Pharma Limited (OKYO)
Rating: Buy

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Urcosimod May Support Corneal Nerve Restoration; Reiterate Buy

Stock Data	12/12/2025
Price	$2.06
Exchange	NASDAQ
Price Target	$7.00
52-Week High	$3.35
52-Week Low	$0.90
Enterprise Value (M)	$73
Market Cap (M)	$77
Shares Outstanding (M)	37.6
3 Month Avg Volume	154,274
Short Interest (M)	0.02
Balance Sheet Metrics	
Cash (M)	$4.3
Total Debt (M)	$0.0
Total Cash/Share	$0.11
Book Value/Share	$(0.08)

Cash (M): pro forma

EPS ($) Diluted			
Full Year - Mar	2023A	2024A	2025E
1Q	--	--	(0.02)
2Q	(0.34)	(0.08)	(0.02)
3Q	--	--	(0.05)
4Q	(0.24)	(0.06)	(0.08)
FY	(0.50)	(0.12)	(0.19)

Revenue ($M)			
Full Year - Mar	2023A	2024A	2025E
1Q	--	--	0.0
2Q	0.0	0.0	0.0
3Q	--	--	0.0
4Q	0.0	0.0	0.0
FY	0.0	0.0	0.0

OKYO reports semiannually. Our projections are offered quarterly.

Favorable changes in corneal nerve structure observed in the neuropathic corneal pain trial. Last week, OKYO Pharma announced favorable data from new analyses based on corneal images from the Phase 2 trial of urcosimod in neuropathic corneal pain (NCP) (n=18). The analyses showed that patients treated with 0.05% urcosimod demonstrated favorable changes in corneal nerve structure, which were not observed in the placebo group. Specifically, the urcosimod group showed median increases in total nerve fiber count (+2.0, n/0.16 mm², Inter Quartile Range (IQR) 0.54 to 3.63) and total nerve fiber length (+2.6 mm/mm², IQR 1.55 to 5.67; p=0.057 vs. placebo). In comparison, the placebo group showed median decreases in total nerve fiber count (-1.92, n/0.16 mm², IQR -2.79 to -0.04) and total nerve fiber length (-1.63 mm/mm², IQR -3.76 to 0.63). While this is an exploratory endpoint, the consistent and meaningful directional improvements demonstrate the potential of urcosimod to support corneal nerve restoration, in our view. Combined with previously announced data showing statistically significant reduction in mean pain scores, the improvements in corneal nerve structure suggest that targeting the chemerin receptor pathway could be a viable therapeutic approach for NCP, which has no FDA-approved therapy. We reiterate our Buy rating and $7 price target.

Phase 2 data show statistically significant pain reduction in NCP. In July 2025, the company reported positive proof-of-concept data from a Phase 2 trial of urcosimod for the treatment of NCP. This double-masked, randomized, placebo-controlled study enrolled 18 patients at a single site and 17 patients have completed the study. Subjects were randomized in a 1:1:1 ratio to receive treatment with 0.05% urcosimod, or 0.1% urcosimod, or placebo four times daily for 12 weeks. The primary endpoint is change in mean pain scores from baseline (Visit 1, Day 0) to end of treatment (Visit 4, Day 84) as measured by a VAS score (on 0-10 scale where 0 is no pain and 10 is worst pain imaginable). Results showed that the 0.05% urcosimod group had a statistically significant reduction in mean pain scores of 5.5 (p=0.025), while the placebo group had a reduction in mean pain scores of 2.75 (p=0.035), thus demonstrating a delta of 2.75 between urcosimod and placebo following the 12-week treatment period. Of note, all the patients in the 0.05% urcosimod group had moderate to severe NCP pain scores, while 75% of placebo group patients had only mild NCP pain scores at baseline, indicating a worse baseline condition for the 0.05% urcosimod group. In addition, 67% of patients in the 0.05% urcosimod group demonstrated greater than 50% improvement in pain compared to 33% in the placebo group, and 0.05% urcosimod showed a marked reduction in pain scores as early as Week 4.

MAD study designed to identify the optimal dose of urcosimod. In September 2025, OKYO Pharma announced its plan for the next clinical trial of urcosimod for the treatment of NCP. This study would be a randomized, placebo-controlled, double-masked, multiple-ascending-dose (MAD) trial designed to identify the optimal registration dose of urcosimod for future pivotal trials. The study is slated to enroll approximately 100 NCP patients across multiple U.S. sites and the results could further elucidate urcosimod's unique micellar drug characteristics. Management expects topline data from this study to become available in 2026. In addition, the company plans to meet with the FDA to discuss requirements for an approvable drug to treat NCP and to define the primary endpoint required for potential registration. We note that urcosimod has been granted Fast Track designation.

Valuation and Risks. Our 12-month price target is derived from an estimated market value of the firm at $300M. This includes a discounted cash flow (DCF) analysis-based asset value of $300M for urcosimod (formerly OK-101), using a 15% discount rate and 1% terminal growth rate, and conservatively excludes the cash position. Assigned probability of approval is 15% for DED and 20% for NCP. Assuming 43M shares outstanding at the end of September 2026, this yields a value of approximately $7 per share. Risks include, but are not limited to: (1) failure of urcosimod in clinical trials; (2) failure of urcosimod to secure regulatory approval in the U.S.; (3) failure of urcosimod to achieve commercial success due to market size, penetration rate, and/or competition; and (4) dilution risk.

Table 1: OKYO Pharma Limited (OKYO)—Historical Income Statements, Financial Projections

FY end March 31
$ in thousands, except per share data

			2025A			2026E					
	2023A	2024A	1HA	2HA	2025A	1Q	2Q	3Q	4Q	2026E
Revenue											
Product revenue	-	-			-						-
Other revenue	-	-			-						-
Total revenue	-	-	- -	- -	-	-	-	-	-	-	-
Expenses											
Cost of sales	-	-	-	- -	-	-	-	-	-	-	-
Research and development	6,338	8,244	2,216	38	2,254	50	50	1,000	2,000	3,100	
General and administrative	6,850	7,506	1,123	3,714	4,838	800	800	1,200	1,500	4,300	
Total expenses	13,187	15,750	- 3,339	- 3,753	7,092	850	850	2,200	3,500	7,400	
Gain (loss) from operations	(13,187)	(15,750)	- (3,339)	- (3,753)	(7,092)	(850)	(850)	(2,200)	(3,500)	(7,400)	
Other income/expense											
Finance costs	(97)	(1,053)	(758)	(120)	(878)						-
Finance income	-	-			-						-
Total investment income and other	(97)	(1,053)	- (758)	- (120)	(878)	-	-	-	-	-	
Loss before provision for income taxes	(13,284)	(16,803)	- (4,098)	- (3,872)	(7,970)	(850)	(850)	(2,200)	(3,500)	(7,400)	
Provision for income taxes	12	(22)	1,418	1,846	3,264						-
Net income (loss)	(13,272)	(16,825)	- (2,680)	- (2,026)	(4,706)	(850)	(850)	(2,200)	(3,500)	(7,400)	
Net loss per share (basic)	(0.60)	(0.50)	(0.08)	(0.06)	(0.12)	(0.02)	(0.02)	(0.05)	(0.08)	(0.19)	
Net loss per share (diluted)	(0.60)	(0.50)	(0.08)	(0.06)	(0.12)	(0.02)	(0.02)	(0.05)	(0.08)	(0.19)	
Weighted average number of shares outstanding (basic)	22,257	33,336	33,573	36,021	39,488	36,816	37,618	40,133	42,648	39,304	
Weighted average number of shares outstanding (diluted)	22,257	33,336	33,573	36,021	39,488	36,816	37,618	40,133	42,648	39,304	

Source: Company reports and H.C. Wainwright & Co. estimates.

Table 2: OKYO Pharma Limited (OKYO)—Historical Balance Sheets, Financial Projections

FY end March 31
$ in thousands, except per share data

			2025A			2026E					
	3/31/2023	3/31/2024	9/30/2024	3/31/2025	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026	3/31/2026
Assets										
Current assets:										
Cash and cash equivalents	4,045	827	987	1,561	1,561	3,646	2,996	10,296	6,996	6,996
Related party receivables		-			-	-	-	-	-	-
Current taxation receivable	559	559	1,483	1,872	1,872	1,872	1,872	1,872	1,872	1,872
Other receivables	592	152	356	242	242	242	242	242	242	242
Total current assets	5,197	1,538	- 2,827	- 3,675	3,675	5,761	5,111	12,411	9,111	9,111
Property and Equipment, net	7	3	2	2	2	2	2	2	2	2
Right of use asset		-			-	-	-	-	-	-
Total Assets	5,204	1,541	- 2,829	- 3,677	3,677	5,763	5,113	12,413	9,113	9,113
Liabilities and shareholder equity										
Current liabilities										
Trade and other payables	4,263	7,062	9,607	8,368	8,368	8,368	8,368	8,368	8,368	8,368
Related party payable	779	359	446	859	859	859	859	859	859	859
Loan payable to related party	2,215	-	2		-	-	-	-	-	-
Lease liabilities - current		-			-	-	-	-	-	-
Total current liabilities	7,257	7,421	- 10,054	- 9,227	9,227	9,227	9,227	9,227	9,227	9,227
Lease liabilities - non current	-	-	-	- -	-	-	-	-	-	-
Total Liabilities	7,257	7,421	- 10,054	- 9,227	9,227	9,227	9,227	9,227	9,227	9,227
Shareholder's equity										
Ordinary share capital		-			-	-	-	-	-	-
Share premium	131,386	143,113	144,050	146,717	146,717	149,453	149,453	158,753	158,753	158,753
Accumulated dificit	(125,698)	(142,523)	(145,203)	(143,025)	(143,025)	(143,675)	(144,325)	(146,325)	(149,625)	(149,625)
Share options reserve	3,629	4,749	5,075	1,185	1,185	1,185	1,185	1,185	1,185	1,185
Warrants reserve	82	94	94	94	94	94	94	94	94	94
Shares to be issued (Loan Notes) - Equity		-	115		-	-	-	-	-	-
Convertible Loan Note reserve		-	435	950	950	950	950	950	950	950
Foreign currency translation reserve	(11,453)	(11,311)	(11,792)	(11,470)	(11,470)	(11,470)	(11,470)	(11,470)	(11,470)	(11,470)
Total stockholders' equity	(2,053)	(5,880)	- (7,226)	- (5,550)	(5,550)	(3,464)	(4,114)	3,186	(114)	(114)
Total liability and shareholder's equity	5,204	1,541	- 2,829	- 3,677	3,677	5,763	5,113	12,413	9,113	9,113

Source: Company reports and H.C. Wainwright & Co. estimates.

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Market Outperform (Buy): The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

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Distribution of Ratings Table as of December 12, 2025				
			IB Service/Past 12 Months	
Ratings	Count	Percent	Count	Percent
Buy	569	86.21%	138	24.25%
Neutral	64	9.70%	9	14.06%
Sell	2	0.30%	0	0.00%
Under Review	25	3.79%	5	20.00%

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