Do You See What I See, Dual Anti-inflammatory and Anti-Pain Approach Could Be Just What the Eye Doctor Ordered; Initiating at Buy, $5 PT

William Wood, Ph.D.
703-312-1748
wwood@brileysecurities.com

Mayank Mamtani
646-885-5463
mmamtani@brileysecurities.com

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STOCK DATA	
Market Cap (mil)	$71.8
52-Week Range	$0.90–$3.35
3-Month ADTV	138,420
Shares Outstanding (mil)	37.6
Float (%)	59.7
Short Interest	20,786
Fiscal Year-End	December

FINANCIAL DATA			
FY	2025A	2026E	2027E
EPS	$(0.20)	$(0.27)	$(0.34)

BALANCE SHEET DATA	
	4Q26
Cash & Equivalents	$1.6
Current Assets	$3.7
Total Assets	$3.7
Total Liabilities	$9.2
Shareholders' Equity	$(5.5)

Summary and Recommendation

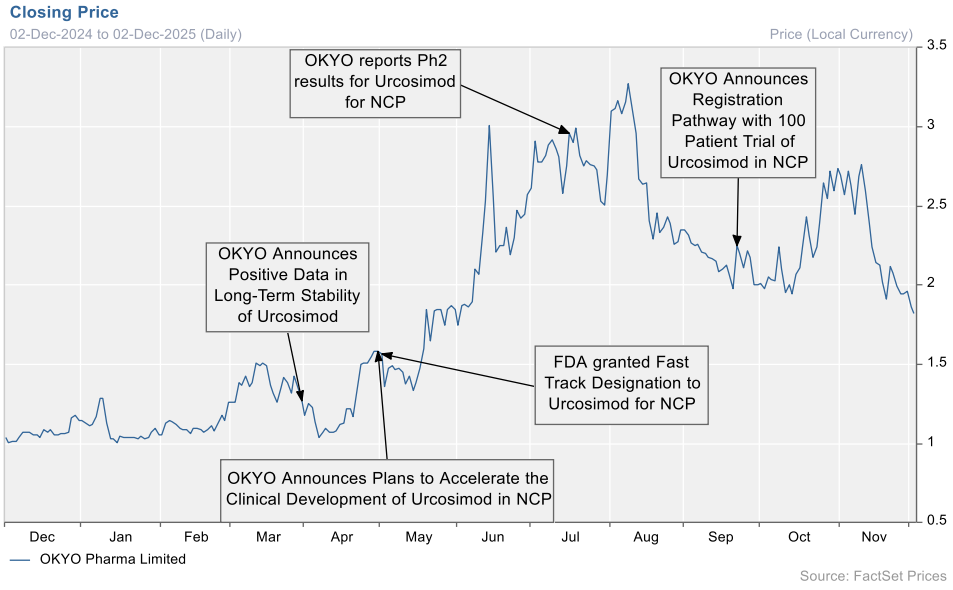
We are initiating coverage of OKYO Pharma, Inc. (OKYO) with a Buy rating and 12-month price target of $5 per share. OKYO is developing urcosimod (OK-101), an anti-inflammatory, anti-pain approach to treat neuropathic corneal pain (NCP), a severe and debilitating eye condition. With no FDA-approved treatments, patients rely on off-label approaches, including short-term NSAIDs, steroids, and opioids in severe cases. Often misdiagnosed as dry eye disease, our currently estimated ~500k diagnosed patient pool could be much closer to 1M patients with improved diagnosis. In a proof-of-concept Ph2 trial in NCP (n=17), when evaluated on a per-protocol basis, OKYO's 0.05% urcosimod led to a mean reduction in pain from baseline of 5.5 points on VAS pain severity (range 0 to 10) vs. 2.75 in the placebo group, with 75% of patients treated with 0.05% urcosimod achieving greater than 80% improvement in pain severity. Notably, 0.05% urcosimod led to a reduction in pain scores of 5.25 points as early as week 4, compared to 3.0 points with placebo, which maintained to the last visit (week 12), when urcosimod demonstrated a >1.2 Cohen-d score vs. placebo, an indicator of a strong treatment effect. Safety was reported as overall well-tolerated, including no serious adverse events. OKYO plans to meet with the FDA by YE25 to discuss next steps and expects the Ph2 120-patient MAD trial initiation shortly afterward. The dose-finding study is designed to evaluate 0.025% and 0.05% urcosimod vs. placebo over 16 weeks, placing the top-line Ph3 enabling de-risked readout around YE26E. ChemR23 mechanism prior history of biopharma industry investments offers a valuation floor, weighed against a relatively challenged balance sheet (~$3M in pro forma cash), as OKYO executes on key milestones to increase visibility towards an attractive $65M EV.

Key Points

- **Current NCP treatment relies on topical agents, with systemic agents used sparingly.** Artificial tears (serum- or plasma-derived), corticosteroids, and cyclosporine have been reported to be the three leading topical agents for NCP treatment. While these treatments may lead to a reduction in inflammation, they fail to treat the pain stimuli derived from overstimulated nerves. While systemic anti-pain agents may provide some benefit, these often come with their own adverse effects, making them a last and/or limited treatment option.
- **Urcosimod's innovative design increases eye surface residence time, leading to enhanced potency.** OKYO's urcosimod targets chemerin-like receptor 1 (ChemR23), a G–protein–coupled receptor expressed on monocytes and macrophages, dendritic cells, NK cells, Treg cells, and spinal cord neurons. Based on urcosimod's design, urcosimod exhibits increased ocular surface residence time through increased binding interactions, minimizing drug washout, and enhancing overall potency, as demonstrated in preclinical studies. Using a ciliary ligation mouse model leading to increased corneal sensitivity, spontaneous blinking, and light sensitivity, 0.04% urcosimod demonstrated greater improvements compared to 100 mg/kg gabapentin, a common clinical treatment of NCP, reporting a ~12% beneficial treatment effect as early as seven days post surgery, alongside improvements at days 10 (~11%) and 14 (~4%) post-surgery.
- **Past peer partnering provides value recognition in urcosimod MOA.** OKYO is not alone in targeting ChemR23, with AbbVie (ABBV) partnering with OSE Immunotherapeutics in early 2024 in a total ~$700M deal value for a similar MOA candidate to treat chronic and severe inflammatory diseases, including inflammatory bowel disease (IBD) and rheumatoid arthritis (RA), providing a value floor and readthrough to urcosimod's potential anti-inflammatory/pain benefits.

OKYO Pharma Limited (OKYO)

Key Financial Metrics		
Rating		Buy
Price Target		$ 5.00
Last Price		$1.72
52-wk range	High	$3.35
	Low	$0.90
Market Cap(M)		$68.45
Enterprise Value		$67.28
Volume (avg. 90 days)		145,221
Shares Outstanding		37.61
% institutional Ownership		6.84
Short Interest	% of float	0.1
	Days to cover	0.2
Cash Burn (M); *est. 12 months*		($8.6)



Source: FactSet and B. Riley Securities Research

Company Description

OKYO Pharma Limited (OKYO) is a U.K.-based clinical-stage biopharmaceutical company developing therapeutics for inflammatory eye diseases and ocular pain. Led by CEO Dr. Gary S. Jacob, CFO Keeren Shah, and Executive Chairman Gabriele Cerrone, OKYO's lead asset, urcosimod, is an anti-inflammatory and anti-pain therapeutic that works by targeting immune and nerve cells of the eye. OKYO's primary focus is neuropathic corneal pain (NCP), an ocular condition characterized by corneal pain in response to normally non-painful stimuli, stemming from chronic, severe nerve-related pain. Urcosimod is currently in Phase 2 trials for the treatment of NCP. NCP lacks any FDA-approved therapy, representing a major unmet medical need and, in our opinion, a clear opportunity.

Source: FactSet and B. Riley Securities Research

Limited Sell-Side Coverage Provides Attractive Opportunity

As of	Dec 2024	Dec 2025
Buy	1	2
Hold	0	0
Sell		

Source: FactSet and B. Riley Securities Research

Neuropathic Corneal Pain Represents an Untapped Market Opportunity

Product Modeling Metrics	Total Addressable Market (WW, Launch Year)	Peak Penetration	Probability of Success	WW Projected Peak Sales
Urcosimod (Neuropathic Corneal Pain)	1.65M (2029)	7%	35%	$146M

Source: FactSet and B. Riley Securities Research

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Initiating Coverage at Buy, $5 PT

OKYO Pharma Limited is a clinical-stage biopharmaceutical company developing therapeutics for inflammatory eye diseases and ocular pain. Led by CEO Dr. Gary S. Jacob, CFO Keeren Shah, and Executive Chairman Gabriele Cerrone, OKYO's lead asset, urcosimod (OK-101), is a peptide-based drug that activates the ChemR23 receptor found on immune and nerve cells in the eye that are responsible for an inflammatory response. Urcosimod's dual mechanism targeting both immune cell-mediated inflammation and neuronal/glial cell populations in the dorsal root ganglion positions it as a potential first-in-class therapy for neuropathic corneal pain (NCP), a severe and debilitating condition characterized by an aberrant pain response to normally non-painful stimuli stemming from corneal nerve damage or damage to the nerves surrounding the eyes.

OKYO leads development in a mismanaged eye disease with no approved therapies. We view OKYO as an attractive investment based on what we view as an undervalued asset in a wide-open market space. OKYO is forging forward into the NCP space, with urcosimod setting the stage to be a first-in-class and first-in-indication therapy. Often underdiagnosed, NCP lacks any FDA-approved treatments and is currently managed through off-label approaches, including short-term NSAIDs, steroids, and opioids in severe cases. Additional agents used to treat NCP rely on broad-acting systemic pain/anti-inflammatory MOAs, i.e., gabapentin (α2δ ligands), duloxetine (diabetic peripheral neuropathy), nortriptyline (tricyclic antidepressants), and even ketamine (NMDA antagonists), with topical eye agents more focused on tear production. Interventional surgical and/or nerve stimulation may be used as a last resort.

Urcosimod, a pipeline in a product, remains OKYO's focus in treating eye disease. Based on urcosimod's anti-inflammatory and analgesic properties, as demonstrated in preclinical corneal pain models, data suggest a differentiated therapeutic potential in the broader inflammatory ocular disease landscape. OKYO is currently focused on its lead product, urcosimod (OK-101), for the treatment of ocular disease. Urcosimod has demonstrated positive results in Phase 2 trials in both dry-eye disease (DED) and neuropathic corneal pain (NCP) and is being evaluated in earlier preclinical development for allergic conjunctivitis and uveitis. OKYO also has an earlier-stage asset, OK-201, but due to the positive results demonstrated by urcosimod and the company's focus there, OK-201 remains in the early exploratory stage.

OKYO is Focused on Ocular Disease Therapeutics



Source: OKYO company filings

During Phase 2 trials in dry-eye disease, urcosimod demonstrated statistical significance in sign and symptom endpoints in a completed 240-patient Phase 2 trial over 12 weeks. Urcosimod demonstrated superiority vs. placebo in both the sign endpoint of total conjunctival staining and in the symptom endpoints of (1) burning via the Ora Calibra 4-symptom questionnaire (p = 0.04) and (2) burning/stinging as measured by a visual analogue scale (VAS) as early as day 15 (p=0.03). Statistically significant improvement in blurred vision was also achieved at day 29 (p=0.01). Given the benefits in DED, OKYO also tested urcosimod in a Phase 2 trial treating NCP patients, which wrapped early following trial completion of 17 patients (n=48) based on a decision to accelerate product development. Following unblinding, urcosimod demonstrated a 2x mean VAS pain score reduction of 5.5 (VAS range 0 to 10), compared with 2.75 in the placebo group, with 75% of patients treated with 0.05% urcosimod achieving more than an 80% improvement in pain severity.

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Building on the strong data demonstrated in dry eye disease, management is laser-focused on NCP. Based on urcosimod's dual mechanism, treating both inflammation and pain within the eye, alongside the unmet need of patients with NCP, OKYO plans to focus on urcosimod development in NCP, with management planning to move quickly to accelerate development. Following positive results in the Phase 2 trial, OKYO announced plans in September to advance urcosimod into a multiple-ascending-dose (MAD) trial designed to enroll approximately 120 NCP patients across several U.S. sites to identify the optimal registration dose for Phase 3 trials and to further characterize urcosimod's drug properties. Expected to initiate in 1Q26, site selection and negotiations are underway, with top-line data anticipated by YE26. Importantly, OKYO received $1.9M in non-dilutive funding to support its ongoing R&D programs, aiding in accelerating urcosimod development, including expanding R&D efforts to advance the drug along the regulatory pathway toward key clinical milestones.

Upcoming Trial Initiation and Readout Expected to Validate Target and Pave the Way to Phase 3 Trials

Timing	Forecasted Catalyst	Forecasted Up / Down
YE25E	EOP2 meeting with FDA	5% / -5%
YE25E	EOP2 minutes release including accepted Ph2 MAD trial design	10% / -10%
1Q26E	Ph2 MAD trial initiation	15% / -5%
YE26E	Ph2 MAD trial top-line data	200% / -60%

Source: OKYO company filings and B. Riley Securities Research

Neuropathic Corneal Pain Remains Apart from Dry Eye Disease

Neuropathic corneal pain is a debilitating ocular disorder characterized by persistent, severe eye pain arising from corneal nerve damage. It aligns with the International Association for the Study of Pain's definition of neuropathic pain as "pain caused by a lesion or disease of the somatosensory system." The pain mechanisms in NCP and DED are fundamentally different. In DED, pain comes from two sources: direct damage from inflammation and poor tear quality on the eye surface, plus nerve dysfunction, creating pain that matches the severity of the eye damage. NCP is a different problem entirely—it is what happens when the nervous system itself becomes dysfunctional after prolonged pain signals.[1]

When nerves are bombarded with pain signals over time, the pain processing system gets rewired in harmful ways. NCP pathophysiology follows a two-stage process: Peripheral sensitization occurs when corneal nerve injury triggers the release of pro-inflammatory mediators, which lower nerve ending activation thresholds, causing previously non-painful stimuli to generate pain signals.[2] This peripheral sensitization subsequently drives central sensitization, where neuroinflammatory and electrophysiological changes in the central nervous system amplify pain signaling, resulting in an overall increased sensitivity to pain, even to non-pain stimuli. The critical distinction is that NCP becomes a self-perpetuating pain condition that is mechanistically disconnected from the original inflammation. This explains why standard anti-inflammatory treatments can heal the eye surface but fail to resolve the pain: They are addressing the initial trigger but not the underlying nervous system dysfunction that is now driving the chronic pain state.

Clinically, NCP ranges from mild symptoms with minimal functional impact to severe, debilitating pain that significantly impairs quality of life and can arise from multiple conditions, including dry eye disease, surgery, or infections. Once a patient has NCP, it can contribute to physical, psychological, and functional impairment, eventually leading to a deterioration in quality of life (QoL).[1] Indeed, in one study comparing patients with NCP and DED, patients with NCP experienced substantially worse quality of life than DED patients across every measure examined.[1] This makes sense given that NCP involves both the physical pain sensation and significant emotional/psychological disruption—patients struggle with mood disorders, poor sleep, and impaired social relationships. Moreover, the relationship between pain and mood creates a reinforcing negative spiral: Worsening mood intensifies the perception of neuropathic pain, which further damages mood. The addition of chronic sleep deprivation and constant pain can then lead to higher cognitive functions becoming impaired—particularly emotional regulation—which feeds back into depression and anxiety.

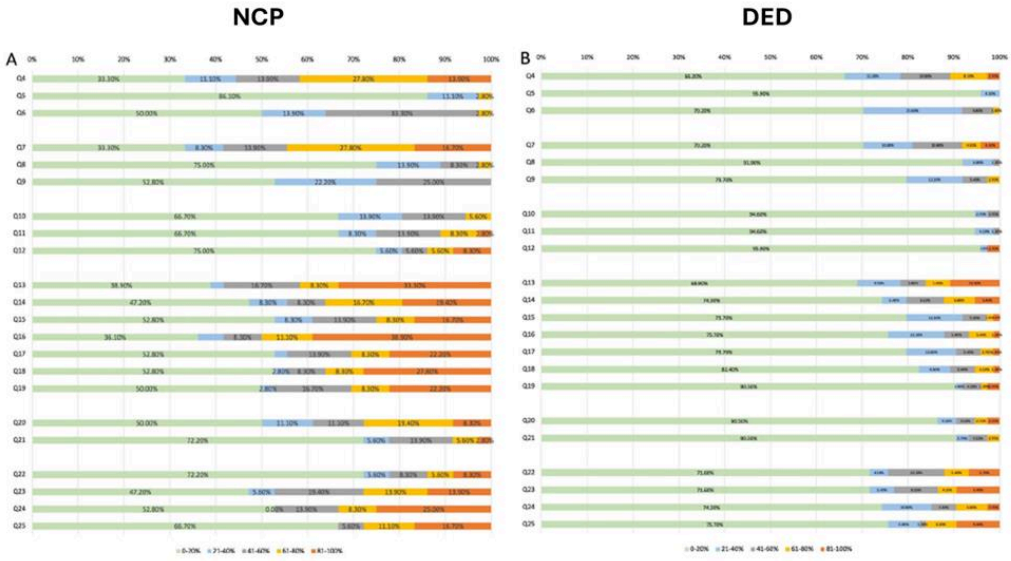
The pain burden itself was markedly higher in NCP, with patients reporting greater pain intensity, including higher overall pain, higher peak pain, higher average pain, and higher baseline minimal pain. Notably, patients even experienced more non-ocular pain, suggesting that central sensitization extends beyond just the eye, underscoring that treating the eye surface misses the main driver in NCP; the disease lives in the nervous system, not the cornea. This was particularly underscored by the disconnect between objective clinical measures and patient-reported outcomes. NCP patients reported better objective signs, including less corneal staining and longer tear breakup times; however, they reported significantly worse quality of life on both the Ocular Pain Assessment Survey (OPAS) and Ocular Surface Disease Index (OSDI) questionnaires. Their vision-related function scores were also notably impaired despite healthier-looking eye surfaces.

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NCP and DED Patients and Corresponding Pain Intensity Grading on the OPAS Questionnaire

TABLE 2. OPAS Scores in NCP and DED

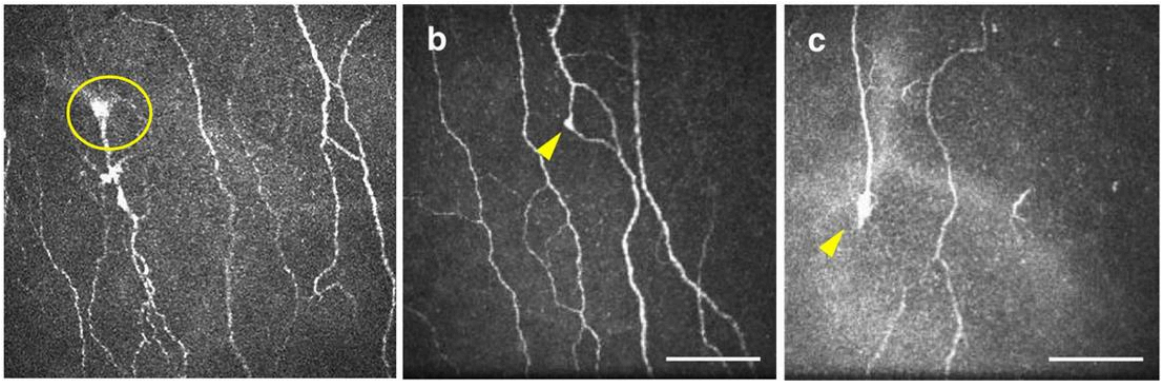
Question	NCP	DED	*P*
Q1. Pain severity (0–10)	3.24 ± 0.52	1.89 ± 0.30	**0.019**
Ocular pain (0–10)			
Q4 Most eye pain intensity in past 24h	4.69 ± 0.59	2.03 ± 0.33	**<0.001**
Q5 Least eye pain intensity in past 24h	0.97 ± 0.28	0.54 ± 0.11	0.089
Q6 Average eye pain intensity in past 24h	2.83 ± 0.41	1.35 ± 0.22	**<0.001**
Q7 Most eye pain intensity in past 2 wk	5.00 ± 0.59	1.99 ± 0.32	**<0.001**
Q8 Least eye pain intensity in past 2 wk	1.56 ± 0.33	0.68 ± 0.13	**0.005**
Q9 Average eye pain intensity in past 2 wk	2.57 ± 0.39	1.23 ± 0.21	**0.001**
Nonocular pain (0–10)			
Q10 Worst noneye pain in past 24h	1.91 ± 0.46	0.31 ± 0.17	**<0.001**
Q11 Worst noneye pain in past 2 wk	2.37 ± 0.58	0.38 ± 0.12	**<0.001**
Q12 Time spent thinking of noneye pain (%)	1.91 ± 0.58	4.59 ± 2.04	0.379
Quality of life			
Q13 Reading/computer use	5.03 ± 0.68	2.18 ± 0.39	**<0.001**
Q14 Driving/watching television	4.33 ± 0.69	1.82 ± 0.35	**<0.001**
Q15 General activity	3.39 ± 0.63	1.23 ± 0.24	**<0.001**
Q16 Mood	5.44 ± 0.72	1.46 ± 0.28	**<0.001**
Q17 Sleep	3.91 ± 0.71	1.21 ± 0.25	**<0.001**
Q18 Social activity	4.00 ± 0.72	1.26 ± 0.26	**<0.001**
Q19 Time spent thinking of eye pain (%)	44.24 ± 7.42%	8.77 ± 2.52%	**<0.001**
Aggravating factors (0%–100%)			
Q20 Mechanical stimuli	34.29 ± 6.01%	9.03 ± 2.56%	**<0.001**
Q21 Chemical stimuli	18.14 ± 4.67%	6.71 ± 1.86%	**0.008**
Associated factors (0%–100%)			
Q22 Redness	22.44 ± 5.63%	25.41 ± 4.05%	0.668
Q23 Burning	39.71 ± 6.32%	23.51 ± 4.17%	**0.032**
Q24 Photophobia	41.91 ± 7.19%	22.82 ± 3.84%	**0.012**
Q25 Tearing	29.29 ± 6.95%	22.30 ± 3.95%	0.352



Source: Chin, J.Y., et al., Quality of Life and Symptomatology in Neuropathic Corneal Pain in Comparison With Dry Eye Syndrome. Cornea, 2024. 44(7): p. 825-831.

A key diagnostic challenge is symptomatic overlap with severe chronic dry eye disease, which frequently leads to misdiagnosis and inadequate treatment. However, unlike DED, where diagnosis includes ocular surface damage identified by corneal vital dye staining, NCP has been termed "pain without stain" because patients typically lack corneal staining on vital dye examination. However, a key differentiating factor between the two conditions is the presence of microneuromas in patients with NCP, while patients with DED lack microneuromas. In one evaluation diagnosing NCP, the incorporation of in vivo confocal microscopy (IVCM) was split ~50%/50% on use during evaluation, but for prescribers who did use IVCM, ~70% of prescribers noted that an abnormal IVCM would suggest NCP, e.g., other nerve abnormalities, micro-neuromas, inflammatory changes (including dendritic cells, and damage to the subepithelial plexus).[3]

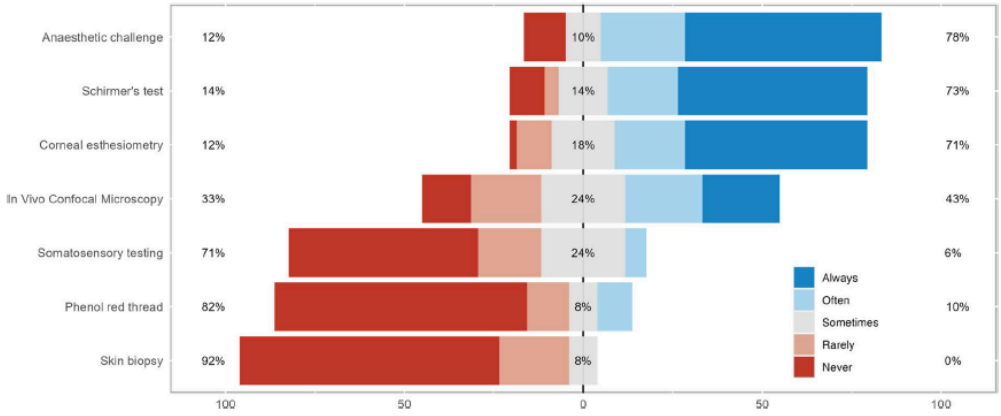
Examples of Corneal Microneuromas[4, 5]



Source: Sierra-Silvestre, E., et al., Occurrence of corneal sub-epithelial microneuromas and axonal swelling in people with diabetes with and without (painful) diabetic neuropathy. Diabetologia, 2023. 66(9): p. 1719-1734. and Kundu, G., et al., A novel combination of corneal confocal microscopy, clinical features, and artificial intelligence for evaluation of ocular surface pain. PLoS One, 2022. 17(11): p. e0277086.

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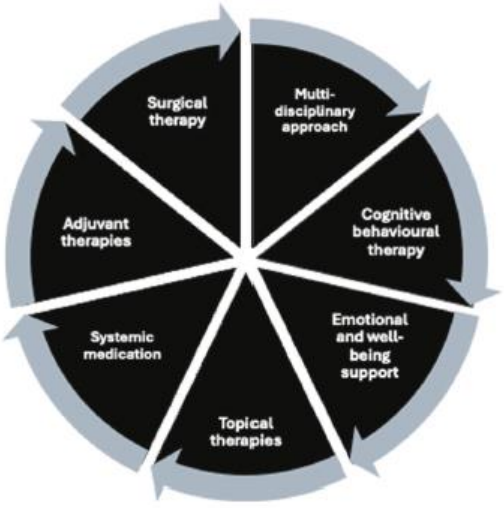
Diagnosis of Neuropathic Corneal Pain in Patients



Source: El Omda, S., et al., International Survey of Current Approaches to the Management of Neuropathic Corneal Pain by Experts. Ophthalmol Ther, 2025. 14(12): p. 3035-3046.

Unfortunately, the therapeutic landscape remains limited, with no FDA-approved topical treatments specifically indicated for NCP. Current management relies on symptomatic approaches, essentially falling into four buckets: topical anti-inflammatory and/or neurogenic therapies; systemic anti-inflammatory or analgesic therapies; ocular surface rehabilitation; and adjuvant therapies and lifestyle changes, including short-term NSAIDs, corticosteroids, systemic gabapentin for neuropathic pain modulation, and opioids in refractory cases. One conducted survey highlighted that for topical agents, physicians most likely prescribed artificial tears (80%), topical corticosteroids (67%), or cyclosporine (59%), but there is no current consensus on how often, dose, or even type that should be prescribed.[3] Systemic agents were not prescribed often or always in more than 50% of survey responders, with gabapentin or pregabalin routinely incorporated only 43% of the time. Some ophthalmologists use autologous serum eyedrops to optimize the ocular surface and promote neural regeneration, though this lacks standardized protocols and regulatory approval. Additionally, lacosamide, used to slow the inactivation of voltage-gated sodium ions, reduces the hyper-excitability of cold-sensitive nerve terminals, and enkephalin has been suggested in murine models as a potential treatment avenue. While the exact economic cost of NCP alone remains unclear, neuropathic pain results in ~ $200B per year in the U.S. The combination of significant patient burden, diagnostic complexity, and constrained treatment options represents a substantial unmet medical need in ophthalmology.

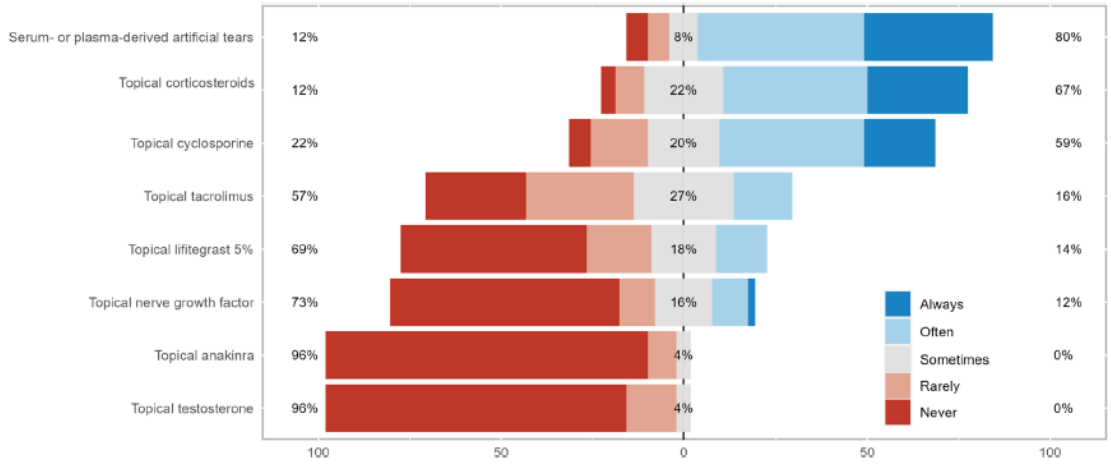
Management of Neuropathic Corneal Pain



Source: Watson, S.L. and D.T. Le, Corneal neuropathic pain: a review to inform clinical practice. Eye (Lond), 2024. 38(12): p. 2350-2358.

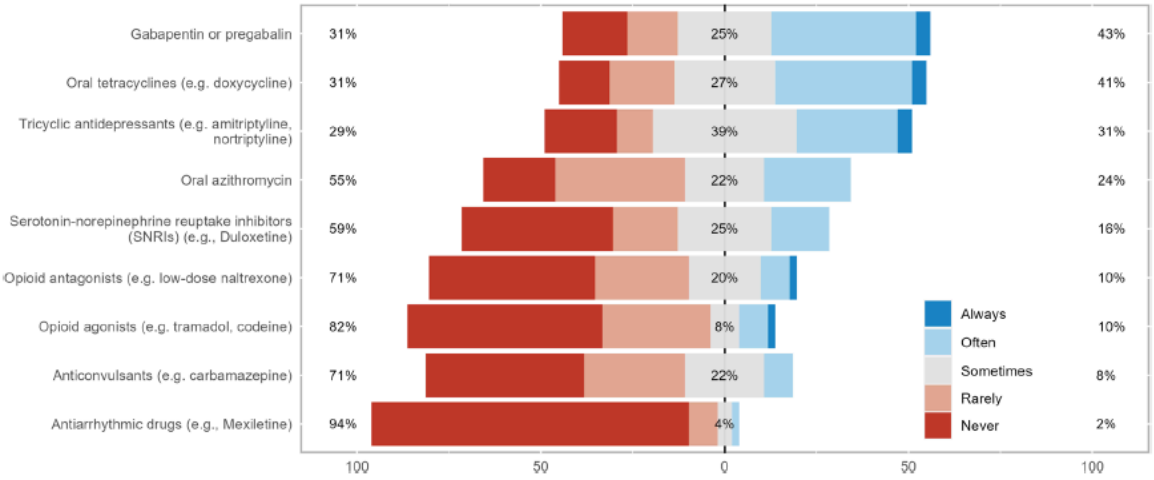
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Commonly Used Topical Anti-Inflammatory and/or Neurogenic Therapies for NCP



Source: El Omda, S., et al., International Survey of Current Approaches to the Management of Neuropathic Corneal Pain by Experts. Ophthalmol Ther, 2025. 14(12): p. 3035-3046.

Commonly Used Systemic Anti-Inflammatory or Analgesic Therapies for NCP Treatment



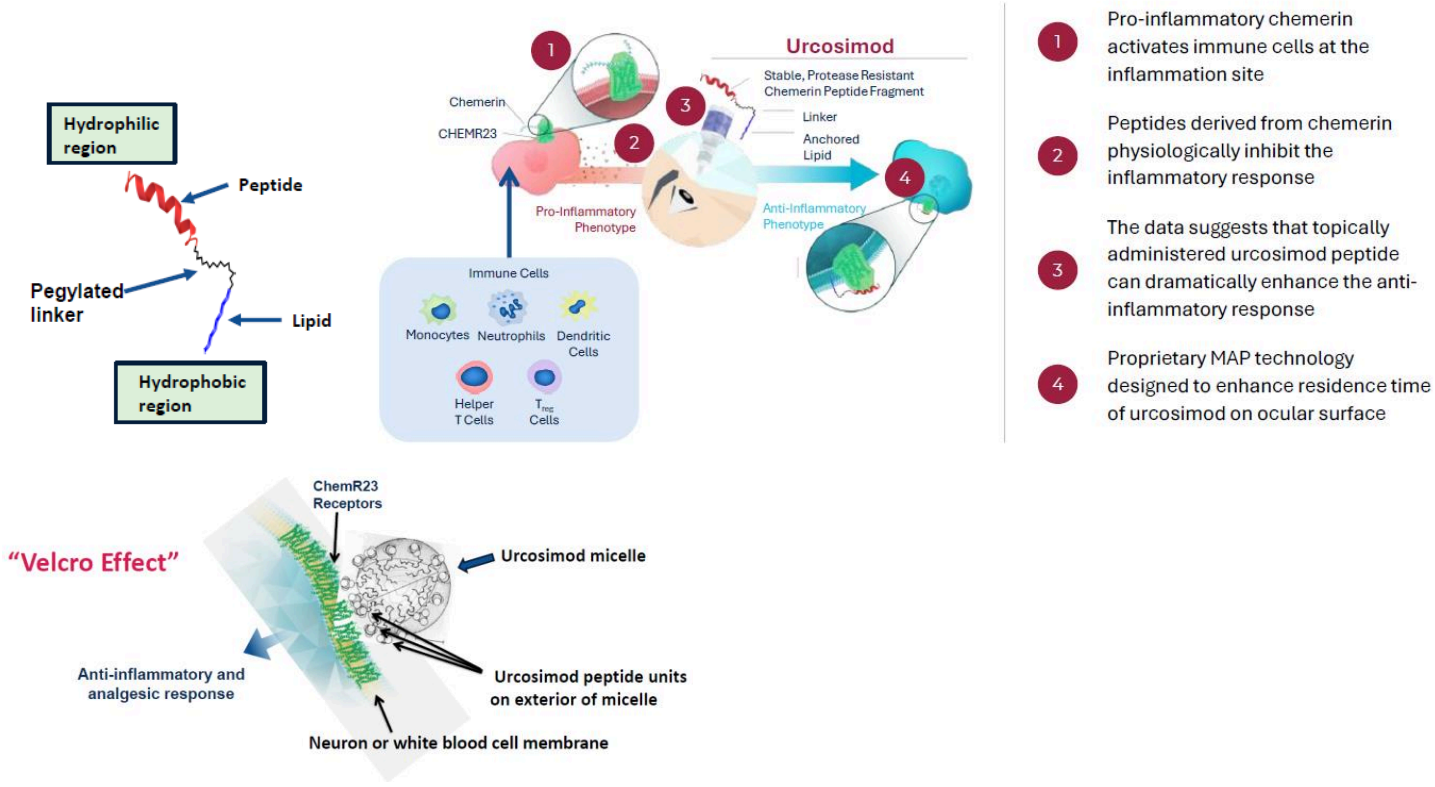
Source: El Omda, S., et al., International Survey of Current Approaches to the Management of Neuropathic Corneal Pain by Experts. Ophthalmol Ther, 2025. 14(12): p. 3035-3046.

OKYO looks to target the ChemR23 receptor to treat NCP. Chemerin-like Receptor 1 (ChemR23) is a G protein–coupled receptor that is expressed on monocytes and macrophages, dendritic cells, NK cells, Treg cells, and spinal cord neurons and interacts with two ligands, the peptide chemerin and the eicosapentaenoic acid–derived lipid mediator resolvin E1 (RvE1).[6] Importantly, chemerin acts as a chemoattractant for monocytes and macrophages and has been found at high concentrations in inflammatory fluids, leading to the attraction of ChemR23-expressing white blood cells. Conversely, RvE1 has been shown to promote anti-inflammatory effects, suggesting that targeting ChemR23-mediated signaling could be a strategy for treating ocular inflammation and pain. Studies using mouse models have demonstrated that RvE1 activation of the chemerin receptor ChemR23 leads to improvements in inflammatory pain by blocking the transient receptor potential vanilloid subtype 1 (TRPV1) expressed by neurons.[7] Additionally, RvE1 has been reported to lead to anti-depressant effects in a mouse model of pain-induced depression, collectively suggesting that modulating ChemR23 could lead to benefits in pain.[8] Indeed, OKYO is not alone in looking to targeting ChemR23, with AbbVie (ABBV) forming a partnership with OSE Immunotherapeutics in early 2024 including $48M up-front and an additional $665M in milestone payments for the development of ABBV-230 (OSE-230), a monoclonal antibody designed to activate ChemR23 to treat chronic and severe inflammatory diseases, inflammatory bowel disease (IBD) and rheumatoid arthritis (RA). ABBV-230 looks to be in preclinical testing.

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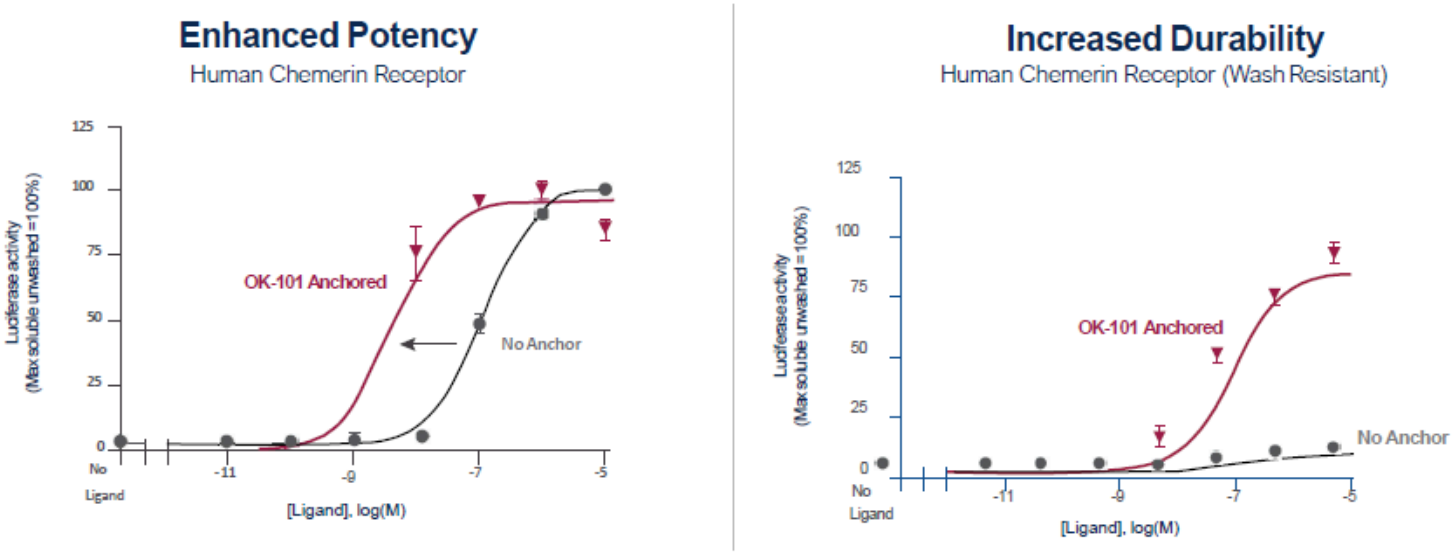
Urcosimod, a non-opioid therapeutic candidate, is designed to target and alleviate the debilitating pain associated with corneal nerve damage by combining a hydrophilic chemerin peptide targeting ChemR23 with a lipid via a pegylated linker that binds to and blocks pro-inflammatory signaling. Importantly, based on urcosimod's design, it will naturally form micelles, which increases ocular surface residence time through increased binding interactions, minimizing drug washout, and enhancing overall potency. Preclinical in vitro studies have demonstrated that OK-101's lipid region improves both its potency and its durability, even after serial washings.[9]

Urcosimod, a ChemR23 Targeting Therapeutic to Mitigate Ocular Inflammation and Pain



Source: OKYO company filings

Urcosimod Demonstrated Enhanced Potency and Durability Compared to Non-Lipid Anchored Drugs

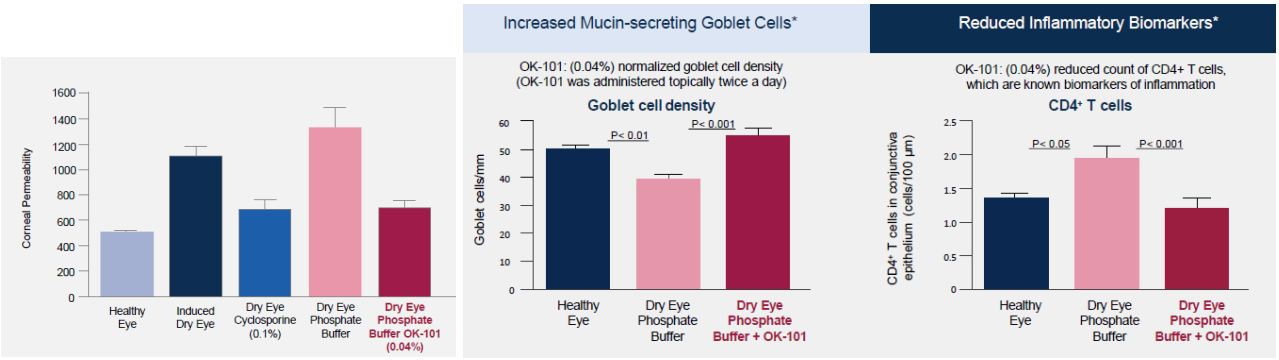


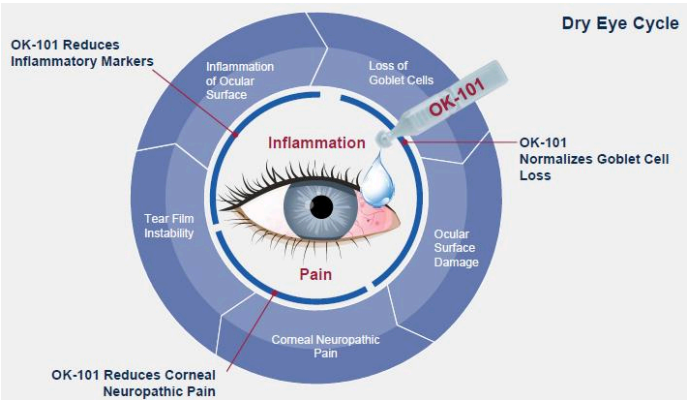
Source: Doyle, J.R., et al., Development of a membrane-anchored chemerin receptor agonist as a novel modulator of allergic airway inflammation and neuropathic pain. J Biol Chem, 2014. 289(19): p. 13385-96.

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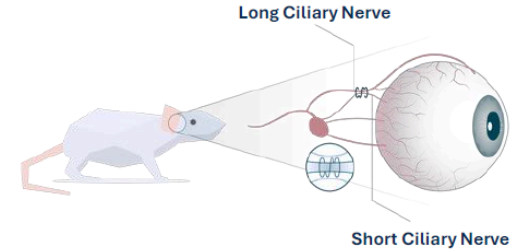
Early preclinical experiments highlight potential in treating ocular inflammation. Initial studies evaluated OK-101 in a DED mouse model. In one study, mice were administered OK-101 and/or cyclosporine BID, and measures of DED were assessed, including corneal permeability, goblet cell density (to assess mucin production), and inflammatory CD4+ T cells. Administration of OK-101 (0.04%) led to near normal levels of corneal permeability as in a healthy eye, improving permeability by an ~60% reduction compared to no treatment and almost 2x over a dry eye phosphate buffer alone, but coming in line with 0.1% cyclosporine. OK-101 also significantly improved goblet cell density over phosphate buffer alone ($p<0.001$) and significantly reduced CD4+ T cell epithelial presence to below healthy control eye levels ($p<0.001$). OK-101 was also evaluated in an NCP ciliary ligation model, where the ciliary nerves that innervate the eye are tied, leading to increased corneal sensitivity, spontaneous blinking, and light sensitivity. Tested against gabapentin (100 mg/kg administered via intraperitoneal injection on days 4, 7, 10, and 14), a common clinical treatment of NCP, topical 0.04% OK-101 demonstrated treatment effect improvements of 12%, 11%, and 4.5% at days 7, 10, and 14 post-surgery, respectively, compared to gabapentin, highlighting the potential benefits of OK-101 in clinically treating NCP.

OK-101 Demonstrated Benefits in Both DED and NCP Mouse Models



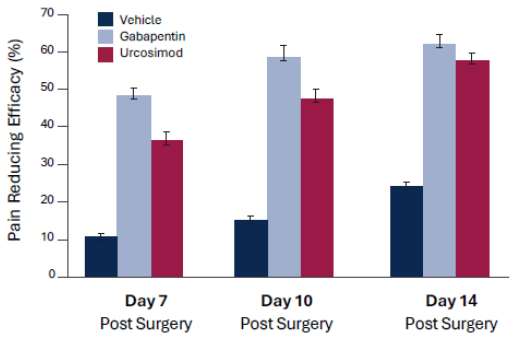


Ciliary Ligation Model* Illustrates Urcosimod's Potential to Reduce Ocular Pain. Ciliary nerve ligation surgery to create the neuropathic corneal pain (NCP) model



* Collaboration with Dr. Pedram Hamrah, Tufts Medical Center, Boston (Kenyon B, ARVO Abstract 4085, 2020)
** Topical administration (0.04%)
*** Administered by intraperitoneal injection,100 mg/kg once at Day 4, 7, 10, and 14

Urcosimod Reduced Corneal Pain Response Comparable to Gabapentin*** (GBP)**

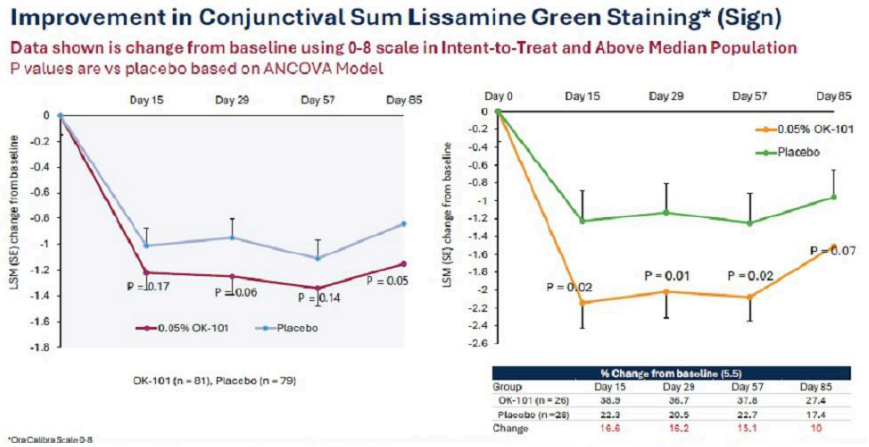


Source: OKYO company filings

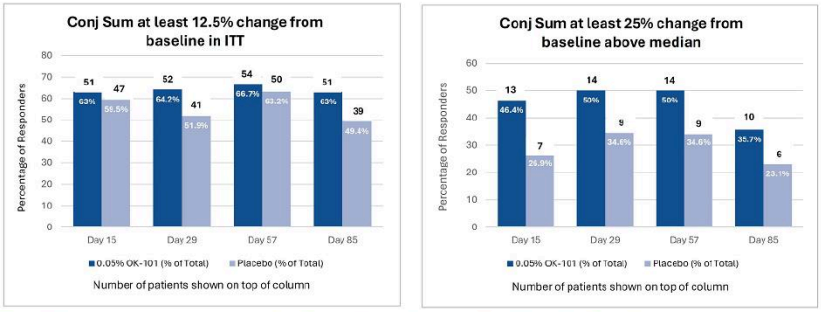
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Moving into the clinic, a Phase 2 trial (n=240) evaluated urcosimod (OK-101; 0.05% and 0.1%) vs. placebo over 12 weeks in patients with DED. Primary endpoints focused on total corneal staining (sign) and ocular discomfort score (symptom), alongside secondary endpoints of conjunctival staining and redness, burning/stinging, blurred vision, Schirmer's test, Tear Film Break-up Time (TFBUT), and Ocular Surface Disease Index (OSDI). Notably, the 0.05% dose achieved superiority over placebo in total conjunctival staining as early as day 29 (p=0.034), which remained trending out to day 85 (p=0.056). When measured on an ITT analysis, day 29 benefits were less pronounced, overall only trending at day 29 (p=0.06), but achieving significance at day 85 (p=0.05). Additional improvements were found when data were analyzed in the above median population, where greater separation was reported, including upwards of a 17% treatment effect in patients receiving urcosimod, which maintained a 10% improvement until the end of the trial. A responder analysis further demonstrated the benefits of urcosimod, with >12% of treatment-adjusted patients demonstrating at least a 12.5% change from baseline in conjunctival sum lissamine green staining. Greater improvements were seen in patients with baseline above median as early as day 15, where ~20% of patients achieved at least a 25% change compared to placebo, which maintained an ~13% treatment effect out to day 85. OK-101 also improved the TFBUT sign as early as day 15, and the improvement lasted throughout the trial (p=0.01, 0.05, 0.02, and 0.03 at days 15, 29, 57, and 85, respectively).

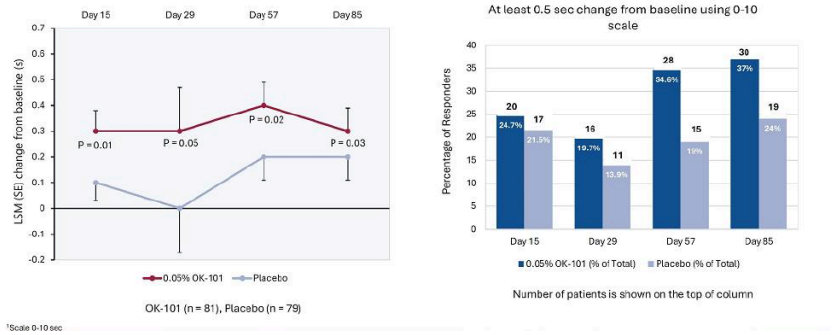
Urcosimod Improves Signs of DED Following 12 Weeks of Treatment



Percentage of Responders With Improvement in Conjunctival Sum Lissamine Green Staining*, Intent-to-Treat and Above Median Population



Significant Improvement in Tear Film Break Up Time[1] (Sign)



Source: OKYO company filings

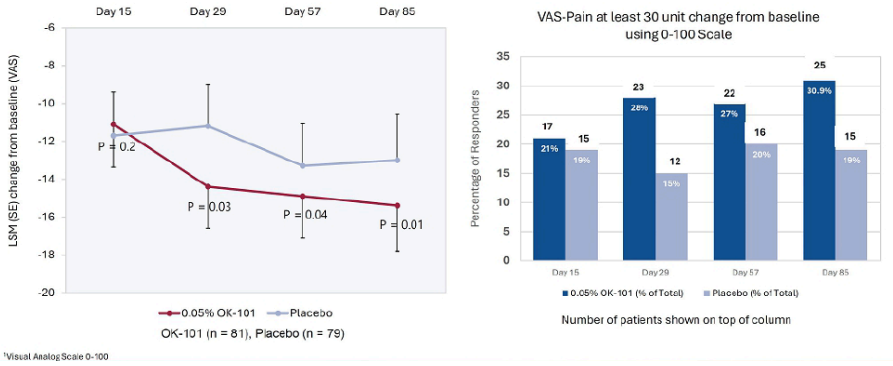
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Alongside an improvement in signs, symptoms also improved, including (1) ocular pain measured by VAS that showed statistically significant durability through the trial (p=0.03, 0.04, and 0.01 at days 29, 57, and 85, respectively), (2) burning/stinging improved as early as by day 15 (p=0.01, 0.006, 0.003, and 0.01 at days 15, 29, 57, and 85, respectively), and (3) blurred vision was reduced as early as day 29 (p=0.09, 0.01, 0.03, and 0.06 at days 15, 29, 57, and 85, respectively). Notably, patient-reported VAS pain responders increased over the trial, with only a 2% treatment effect at day 15 but an 11.9% treatment effect at day 85. Importantly, a categorical responder analysis (≥12.5% reduction in conjunctival staining combined with ≥30% symptom improvement through day 85) revealed a 68% improvement in the conjunctival staining + ocular pain responder rate (34.2% OK-101 vs. 20.3% placebo) and a 62% improvement for conjunctival staining + burning/stinging (32.9% vs. 20.3%), while the blurred vision combination showed a more modest 19% difference (26% OK-101 vs. 21.9% placebo).

Urcosimod Improves Symptoms of DED Following 12 Weeks of Treatment

Significant Improvement in Pain[1] (Symptom)

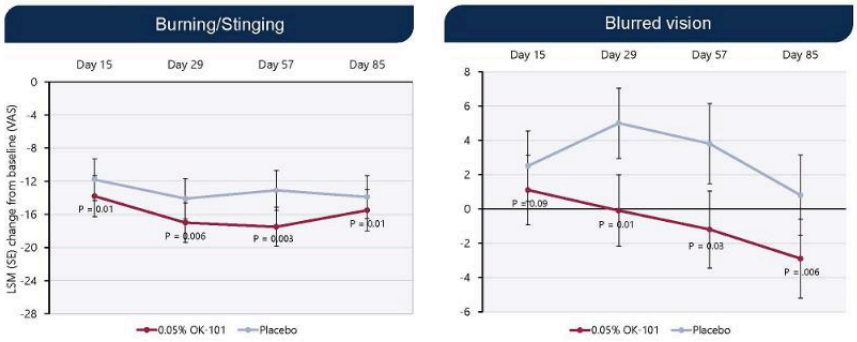
Data shown is change from baseline using 0-100 Visual Analog Scale in Intent-To-Treat Population
P values are vs placebo based on Wilcoxon rank sum test



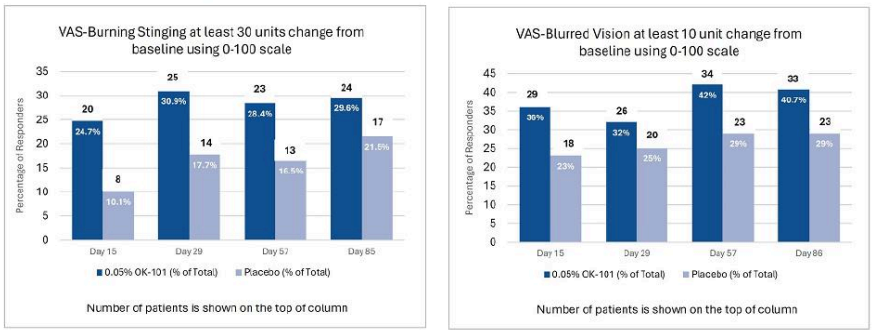
[1]Visual Analog Scale 0-100

Significant Improvement in Burning/Stinging & Blurred Vision (Symptoms)

Data shown is change from baseline in Intent-To-Treat Population
P values are vs placebo based on Wilcoxon rank sum test



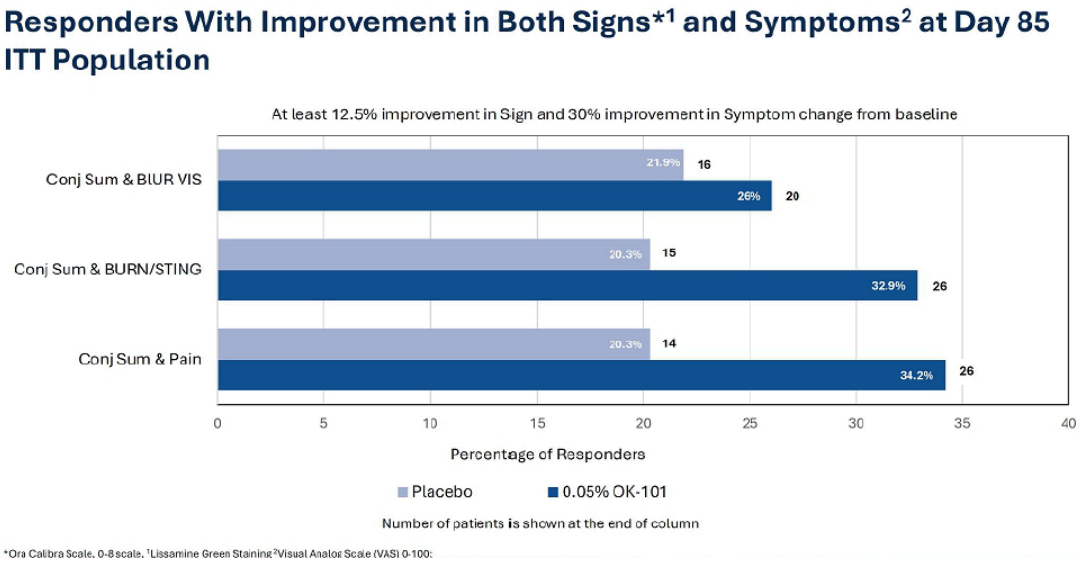
Responders With Improvement in Burning/Stinging[1] and Blurred Vision[1], Intent-to-Treat Population



Source: OKYO company filings

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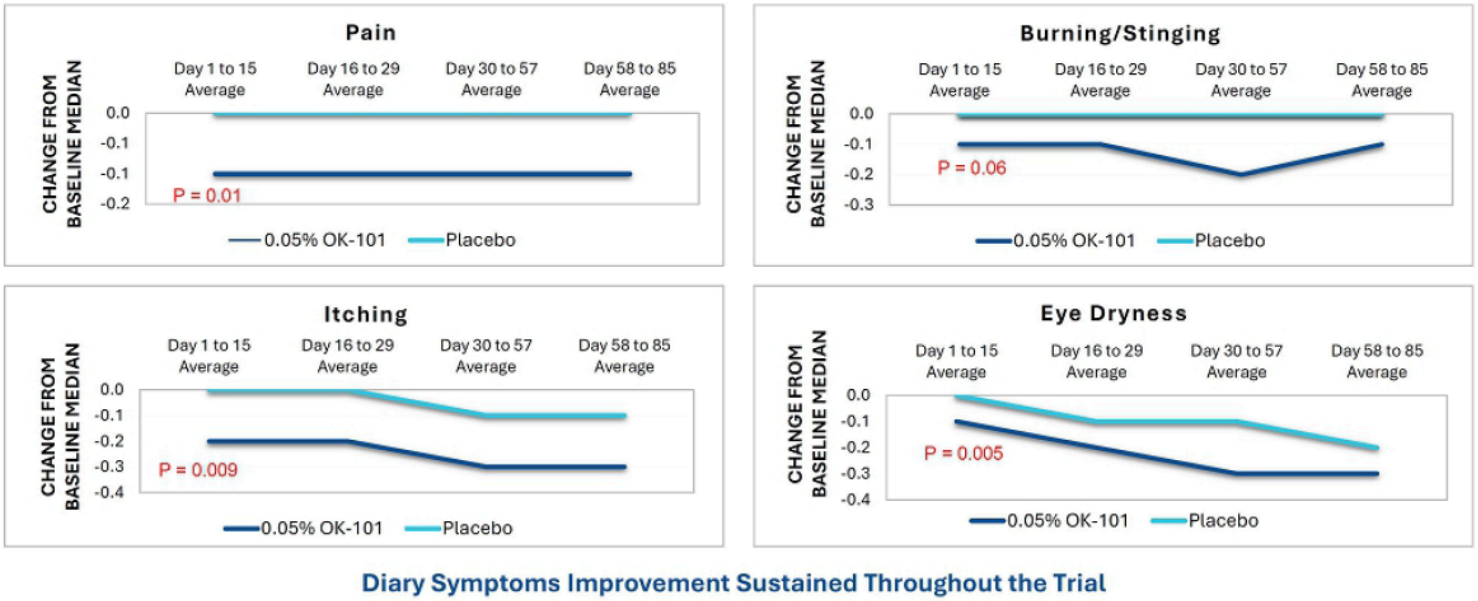
Categorical Responder Analysis Highlights Patient Benefits in Both Signs and Symptoms



Source: OKYO company filings

Patient-reported outcomes (PROs) from patients' daily symptom diaries further highlight the beneficial effects of urcosimod, with improvements in itching (p=0.009), eye dryness (p=0.005), and pain (p=0.01). Notably, significant improvement was recorded as early as 2 weeks of treatment. Lastly, OK-101 was extremely well tolerated with a drop comfort score of 2.3 after 2 minutes post-instillation, which is comparable to results with artificial tears. Overall, the trial demonstrated a favorable tolerability profile with treatment discontinuation rates of 2.5% vs. 3.8% for placebo, TEAEs comparable to placebo, no severe drug-related ocular TEAEs, and only one possible drug-related TEAE in the urcosimod group vs. three in placebo, with management noting excellent eyedrop comfort scores for a topically administered agent.

Patients Noted Significant Improvement in Symptoms in Their Daily Diaries



Source: OKYO company filings

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Urcosimod Demonstrated Similar Adverse Events and Drop Comfort to Placebo

OK-101 Drop Comfort: 2 Minutes Post-Instillation Study Eye

Drop Comfort	OK-101 0.1% (n=79)	OK-101 0.05% (n=77)	Placebo (n=76)
Mean Score (SD)	2.5 (2.32)	2.3 (2.32)	1.8 (1.73)
Median	2.0	1.0	1.5

Abbreviations: AE = Adverse Event; TEAE = Treatment-Emergent Adverse Event; SAE = Serious Adverse Event; TE-SAE = Treatment-Emergent Serious Adverse Event.

OK-101 Phase 2 DED Study: Ocular Adverse Events

Category	OK-101 (0.1%) (N = 80)	OK-101 (0.05%) (N = 81)	Placebo (N = 79)
Number of Ocular AEs	7	19	7
Number of Ocular TEAEs	6	16	6
Number of Ocular SAEs	0	0	0
Number of Ocular TE-SAEs	0	0	0
Number of Subjects Withdrawn Study Drug due to Ocular TEAE: n (%)	**0**	**1 (1.2)**	**1 (1.3)**
Number of Subjects with Ocular TEAEs (Severity)			
Mild: n (%)	5 (6.3)	14 (17.3)	4 (5.1)
Moderate: n (%)	0	1 (1.2)	0
Severe: n (%)	0	0	0
Number of Subjects with Ocular TEAEs by Relationship to Study Drug			
Definitely Related: n (%)	4 (5.0)	8 (9.9)	0
Probably Related: n (%)	0	0	0
Possibly Related: n (%)	0	1 (1.2)	3 (3.8)
Not Related: n (%)	1 (1.3)	6 (7.4)	1 (1.3)

Source: OKYO company filings

OKYO Advances Urcosimod into Neuropathic Corneal Pain Clinical Trials

Based on preclinical models demonstrating improved benefits over gabapentin, and following successful DED studies, OKYO pivoted to pursuing neuropathic corneal pain, a subset of DED with no currently approved treatment options. After receiving IND clearance in February 2024, OKYO initiated a single-center Phase 2 proof-of-concept trial in NCP (n=48, 16/arm) in October 2024, evaluating two doses of urcosimod (0.01% and 0.5%) vs. placebo over 16 weeks (12 weeks of treatment). The primary endpoint focused on assessing ocular pain via VAS, with secondary endpoints including an ocular pain assessment survey, an ocular surface disease index, quality of life improvement, and other comfort evaluations. After 17 patients completed enrollment, OKYO announced its decision to close the trial in order to access the blinded data and expedite an expanded development program, including a larger, multi-center trial in NCP.

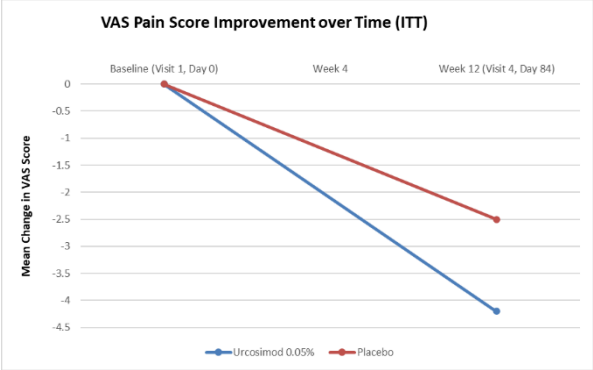
When evaluated on an intent-to-treat (ITT) basis regardless of adherence, top-line data indicated that, following 12 weeks of treatment, patients reported a mean 4.2-point improvement in VAS pain severity from baseline (range 0 to 10), ~1.5x over placebo's 2.5 point improvement, leading to 67% of patients receiving 0.05% urcosimod demonstrating a >50% improvement in VAS pain scores vs. only 33% in the placebo group. Importantly, the minimally clinically important difference on a 10-point VAS pain scale falls between 1.3 and 2 points, underscoring urcosimod's beneficial impact in this trial. Evaluated on a per-protocol basis, VAS pain severity scores improved slightly, demonstrating a mean reduction from baseline of 5.5 in the 0.05% urcosimod group and 2.75 in the placebo group, with statistically significant benefits compared to baseline lasting until the end of treatment (p=0.025). 75% of patients treated with 0.05% urcosimod achieved greater than 80% improvement in pain severity. Notably, 0.05% urcosimod led to a marked reduction in pain scores of 5.25 points as early as week 4, compared with 3.0 points in the placebo group. When compared to placebo at week 12 (visit 4), urcosimod 0.05% demonstrated a Cohen-d value of >1.2, an indicator of a strong treatment effect. While the placebo also demonstrated significant benefits through the end of treatment (p=0.035 vs. baseline), the treatment effect was roughly half of what was seen with 0.05% urcosimod. Importantly, the placebo arm included overall less severe patients (75% were mild at baseline), compared to the 0.05% urcosimod arm, where all patients were moderate to severe, suggesting that urcosimod treatment demonstrated more profound benefits. Interestingly, but not entirely surprising given earlier Phase 2 DED trial results, the 0.1% urcosimod group demonstrated less benefit than the 0.05% group. Safety was reported as overall well-tolerated, including no serious adverse events.

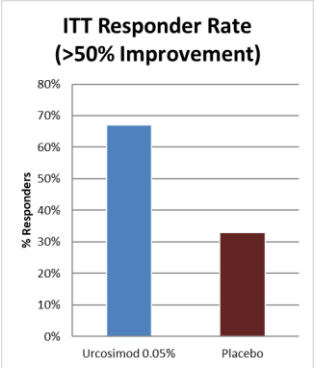
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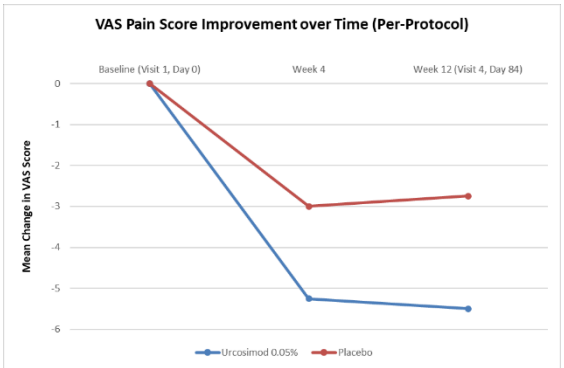
OKYO Phase 2 Trial: Urcosimod for Neuropathic Corneal Pain (NCP)

TRIAL OVERVIEW		
Design	Randomized, double-masked, placebo-controlled	
Site	Tufts Medical Center, Boston, MA	
Principal Investigator	Pedram Hamrah, M.D.	
Patients Enrolled	18	
Patients Completed	17	
Duration	12 weeks	
Primary Endpoint	Change in mean VAS pain scores (Visit 1 to Visit 4)	
Regulatory Status	FDA Fast Track Designation	
Serious Adverse Events	0	
Baseline Severity	Moderate-Severe (100%)	Mild (75%)

PER-PROTOCOL POPULATION RESULTS				
Metric	Urcosimod 0.05%	Placebo	Difference/Delta	Notes
Mean VAS Change (Week 4)	5.25	3	2.25	Early efficacy signal
Mean VAS Change (Week 12)	5.5	2.75	2.75	Primary endpoint
P-value (Visit 1 to Visit 4)	0.025	0.035	-	Both statistically significant
Cohen-d Effect Size	>1.2	-	-	Strong treatment effect
% Achieving >80% Improvement	75%	N/A	-	Imbalanced baseline
INTENT-TO-TREAT (ITT) POPULATION RESULTS				
Metric	Urcosimod 0.05%	Placebo	Difference/Delta	Notes
Mean VAS Reduction (Week 12)	4.2	2.5	1.7	ITT primary
% Achieving >50% Improvement	67%	33%	-	Responder analysis



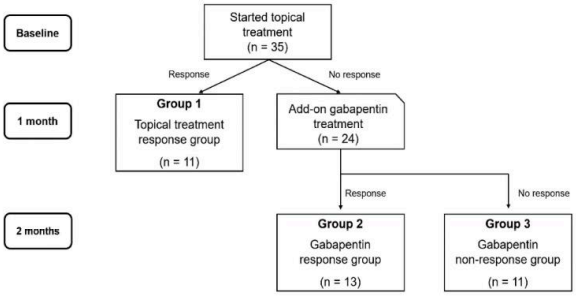




Source: OKYO company filings and B. Riley Securities Research

Gabapentin provides limited benefit in dry eye measurements. Oral gabapentin is the first-line treatment for chronic systemic neuropathic pain, but how it may compare to urcosimod for corneal neuropathic pain remains unclear. In a comparison of 35 patients who underwent treatment for NCP (i.e., dry eye accompanied by neuropathic ocular pain), patients were evaluated based on whether gabapentin improved ocular surface disease index (OSDI) score, tear break-up time (TBUT), Schirmer score, corneal stain score (CSS), and meibomian gland (MG) parameters.[10] Patients were started on topical treatment, and after one month, gabapentin was added for non-responders. Overall, gabapentin showed limited improvements in ocular surface, TBUT, and MG parameters, which could be expected based on systemic inhibition of presynaptic Ca2+ channels, leading to a reduced release of excitatory neurotransmitters and a suppression of pain, suggesting potentially greater benefit in pain management, not ocular surface healing.

Gabapentin Provides Limited Benefit in Dry Eye Assessments over Topical Treatment in NCP



	Topical Treatment (n = 11)	Gabapentin Treatment		p-Value	Post Hoc Analysis		
		Response (n = 13)	Non-Response (n = 11)		Group 1 vs. 2	Group 1 vs. 3	Group 2 vs. 3
OSDI	71.9 ± 7.34	69.2 ± 35.3	74.48 ± 19.1	0.959	0.993	0.994	0.956
Tear film and ocular surface parameters							
TBUT (sec)	4.73 ± 2.28	4.62 ± 1.94	4.00 ± 1.27	0.621	0.988	0.640	0.707
Schirmer test score (mm)	6.73± 5.31	5.85 ± 1.41	7.91 ± 2.98	0.369	0.814	0.712	0.336
CSS (0–9)	1.09 ± 1.04	0.31 ± 0.75	0.27 ± 0.47	0.031	0.048	0.033	0.994
MG parameters							
MG quality (0–3)	0.91 ± 0.83	0.85 ± 0.69	0.82 ± 0.75	0.959	0.977	0.957	0.996
MG expressibility (0–3)	0.55 ± 0.69	0.77 ± 0.60	0.69 ± 0.79	0.712	0.711	0.811	0.988

All values are presented as mean ± SD. OSDI, ocular surface disease index; TBUT, tear break-up time; CSS, corneal staining score; MG, meibomian gland. Comparison using one-way analysis of variance, and post hoc analysis using Tukey's honestly significant difference test with Bonferroni adjustment.

Source: Yoon, H.J., J. Kim, and K.C. Yoon, Treatment Response to Gabapentin in Neuropathic Ocular Pain Associated with Dry Eye. J Clin Med, 2020. 9(11).

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Data inconsistencies restrict a cross-trial comparison, but urcosimod's Phase 2 data point to improvements over systemic oral gabapentin. In patients who responded to either topical treatment or gabapentin, overall greater benefits were seen with gabapentin, including in eye pain intensity (p=0.026 vs. p=0.011, topical vs. gabapentin), non-eye pain (p=0.063 vs. p=0.026), and quality of life (p=0.113 vs. p=0.011). Additionally, gabapentin led to significant improvements in gabapentin responders vs. non-responders in enjoying life/relations with other people (p=0.019) and in aggravating factors, including mechanical (p=0.003) and chemical stimuli (p=0.004), as well as trending improvements in sensitivity to light (p=0.08). However, apart from life/relations with other people, no other significant benefits were observed in most quality-of-life assessments, e.g., reading/computer use, driving/TV, general activity (walking), mood, and sleep. During the study, one patient receiving gabapentin experienced a mild tremor. While ocular surface inflammatory disorders (OSID) and OSAB data for urcosimod have not yet been reported to our knowledge for a clinical head-to-head comparison, preclinical data did demonstrate urcosimod treatment leading to improvements vs. gabapentin in a ciliary ligation model (see above) 2 weeks after surgery. Urcosimod also demonstrated improved benefits in signs and symptoms, including statistically significant treatment effects in pain in a POC Phase 2 study in NCP. Because gabapentin is known to lead to CNS depression (drowsiness, dizziness, headache, etc.) and mood problems, we view urcosimod's treatment and safety benefits as supporting the drug's therapeutic potential over gabapentin in NCP.

Gabapentin Provides Some Benefit in Responders in Neuropathic Corneal Pain over Topical Treatment

	Pre	Post	*p*-Value
Topical treatment response group			
Eye pain intensity (0–60)	41.0 (22.0–60.0)	29.5 (21.0–38.0)	0.026
Non–eye pain (0–20)	6.0 (5.0–7.0)	13.5 (9.0–18.0)	0.063
Quality of life (0–60)	37.5 (14.0–60.0)	34.8 (23.0–46.6)	0.113
Aggravating factors (0–2)	1.30 (1.00–1.60)	1.35 (0.80–1.90)	0.459
Associated factors (0–4)	2.85 (2.50–3.20)	2.20 (1.60–2.80)	0.026
Gabapentin response group			
Eye pain intensity (0–60)	38.0 (22.0–38.0)	26.0 (21.0–35.0)	0.011
Non–eye pain (0–20)	13.0 (10.0–19.0)	8.0 (6.0–16.0)	0.026
Quality of life (0–60)	43.0 (31.0–53.0)	20.0 (12.0–47.0)	0.011
Aggravating factors (0–2)	0.60 (0.20–1.40)	0.90 (0.80–1.30)	1.000
Associated factors (0–4)	1.50 (1.40–2.60)	0.80 (0.30–3.20)	0.122

All values are presented as median (interquartile range). Comparing using Wilcoxon signed-rank test.

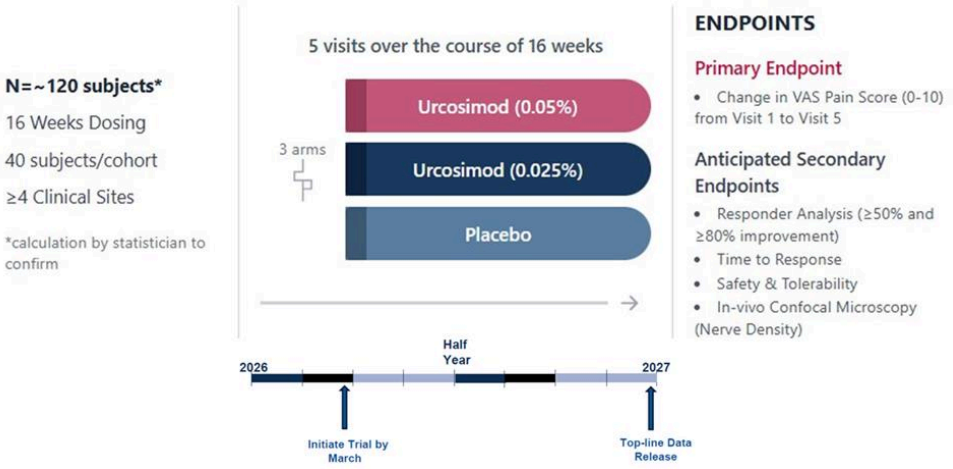
	Gabapentin Treatment		*p*-Value
	Response (n = 13)	Non-Response (n = 11)	
Eye pain intensity (0–60)	39.0 (15.0–40.0)	35.0 (19.5–44.5)	0.722 †
Non–eye pain (0–20)	8.0 (0.0–10.0)	4.0 (0.75–11.75)	0.249 †
Quality of life			
Reading and/or computer use (0–10)	0.0 (0.0–8.0)	7.0 (4.25–9.75)	0.254 †
Driving and/or watching TV (0–10)	6.67 ± 1.97	6.20 ± 2.94	0.674 *
General activity (walking, etc.) (0–10)	5.00 ± 3.30	5.40 ± 3.57	0.788 *
Mood (0–10)	1.0 (0.0–7.0)	6.5 (3.25–9.0)	0.456 †
Sleep (0–10)	5.0 (5.0–6.0)	5.0 (0.0–10.0)	0.381 †
Enjoying life/relations with other people (0–10)	4.67 ± 3.06	7.60 ± 2.17	0.019 *
Aggravating factors			
Mechanical stimuli (0–1)	0.42 ± 0.24	0.78 ± 0.28	0.003 *
Chemical stimuli (0–1)	0.40 ± 0.28	0.76 ± 0.22	0.004 *
Associated factors			
Redness (0–1)	0.50 ± 0.35	0.45 ± 0.32	0.628 *
Burning sensation (0–1)	0.50 ± 0.32	0.45 ± 0.42	0.381 *
Sensitivity to light (0–1)	0.60 ± 0.17	0.45 ± 0.33	0.080 *
Tearing (0–1)	0.4 (0.4–0.5)	0.3 (0.03–0.88)	0.123 †

* Compared using independent t-test. † Compared using Mann–Whitney U test.

Source: Yoon, H.J., J. Kim, and K.C. Yoon, Treatment Response to Gabapentin in Neuropathic Ocular Pain Associated with Dry Eye. J Clin Med, 2020. 9(11).

Proposed urcosimod Phase 2 trial to treat NCP patients. Following completion of the proof-of-concept Phase 2 trial, OKYO is looking to quickly advance into a larger Phase 2 multiple ascending dose (MAD) trial in NCP, aided by receiving the FDA's Fast Track designation. OKYO expects the MAD trial to include ~120 NCP patients (40/arm), evaluating 0.025% and 0.05% urcosimod vs. placebo over 16 weeks. The overall study duration is expected to be 9 to 12 months, with the top-line readout anticipated around year-end 2026. OKYO expects the primary endpoint to focus on reducing the pain VAS. Additionally, the Phase 2 trial is expected to identify the optimal dose to take forward into registrational Phase 3 trials, alongside further evaluation of urcosimod's unique micellar drug properties. Management is currently working toward a meeting with the FDA to discuss the regulatory path forward.

Urcosimod Development: Projected Phase 2 Next Steps in NCP Patients



Source: OKYO company filings and B. Riley Securities Research

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M&A Potential in DED/NCP

While M&A of OKYO is not core to our thesis, we cannot help but note the highly active ocular space in which OKYO is developing urcosimod. With no approved therapeutics for NCP and urcosimod's potential for broader use in dry eye disease as a topical eye drop with lasting effects, the drug could be, in our opinion, an attractive agent for acquisition/partnership, especially as it moves in/through expected Phase 2 development. Multiple recent acquisitions/in-licensing from leading eye companies highlight the potential interest in urcosimod, in our view, including Bausch & Lomb's acquisitions of Xiidra and Miebo, the former for upwards of $2.5B in 2024, as well as Harrow's in-licensing of multiple products, including VEVYE, a cyclosporine-based eye drop for DED.

Recent M&A Deals Focused on Neuropathic Pain and/or Ocular Targets

Type	Buyer	Target	Therapeutic Focus	Lead Asset	Valuation			Year
					Up-Front	Milestones	Total	
Acquisition	Eli Lilly	MeiraGTx	LCA caused by AIPL1 mutation	AAV-AIPL1			$475M	2025
Acquisition	Harrow	Melt	Sedation	MELT-300				2025
Acquisition	Harrow	Samsung Bioepis	Ophthalmology biosimilar	BYOOVIZ , OPUVIZ				2025
Acquisition	Harrow	Formosa	Post-operative inflammation/pain	BYQLOVI	$500K	yes		2025
Acquisition	Bausch & Lomb	Whitecap Biosciences	Glaucoma and geographic atrophy (GA)	WB007, WB006				2025
Acquisition	Merck	EyeBio	DME/nAMD	Restoret	$1.3B	$1.7B	$3B	2024
Acquisition	ANI Pharmaceuticals	Alimera Sciences	NIU-PS	ILUVIEN	$381M	CVRs up to $0.5/share		2024
Acquisition	Bausch & Lomb	Novartis	Dry eye disease	XIIDRA	$1.75B	$750M	$2.5B	2024
Acquisition	Sandoz	Coherus BioSciences	Biosimilar for wAMD/DME/RVO/DR/mCNV	CIMERLI	$170M			2023
Acquisition	Harrow	Novartis	"Fab Five" Anti-inflammatory assets	ILEVRO,NEVANAC, VIGAMOX, MAXIDEX, TRIESENCE	$130M	$45M	$175M	2023
Partnership	Beacon Therapeutics	Abeona Therapeutics	Inner/outer retina targeting	AAV204 capsid	Undisclosed	Undisclosed		2025
Partnership	AbbVie	Aldeyra Therapeutics	Dry eye disease/allergic conjunctivitis	Reproxalap	$100M	$300M	$400M	2024
Partnership	AbbVie	OSE Immunotheraptueics	Chronic and severe inflammatory diseases	OSE-230	$48M	$665M	$713M	2024
Partnership	Bausch & Lomb	Novartis	Dry eye disease	MIEBO				2019

Source: FactSet, company filings, and B. Riley Securities Research

Intellectual Property[11]

As of June 30, 2025, OKYO's owned and licensed intellectual property included eight issued patents and 15 pending patent applications in the U.S. and abroad.

- OKYO's issued U.S. patent directed to lipidated chemerin fragments or analogs has a statutory expiration date of March 13, 2034, with potential patent term extension available until 2039.
- The company's issued U.S. patent directed to methods of using lipidated chemerin fragments or analogs for treating neuropathic pain has a statutory expiration date of March 13, 2034 (plus 187 days of patent term adjustment, or PTA), with potential patent term extension available until 2039.
- An issued U.S. patent directed to methods of using lipidated chemerin fragments or analogs for treating DED has a statutory expiration date of January 23, 2037, with potential patent term extension available until 2041.
- OKYO has pending patent applications for lipidated chemerin fragments or analogs and methods of use thereof that, if issued, would be expected to expire in the U.S. and in countries outside of the U.S. between 2034 and 2043.
- An issued U.S. patent directed to lipidated BAM8-22 peptides or analogs and methods of use thereof has a statutory expiration date of November 9, 2036 (plus 70 days of PTA), with potential patent term extension available until 2042.
- If issued, pending patent applications for lipidated BAM8-22 peptides or analogs and methods of use thereof would be expected to expire in the U.S. and in countries outside of the U.S. between 2036 and 2040.

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OKYO Patent Coverage

Drug	Number	Type	Indication	Expiration	Potential Extension
OK-101	US 10,233,219	Composition of Matter		2034	2039
OK-101	US 11,197,906	Method of Use	Dry Eye	2037	2041
OK-101	US 11,254,720	Method of Use	Neuropathic Pain	2034	2039
OK-101	Pending	Method of Use		2034	2043
OK-201	US 10,899,796	Composition of Matter		2036	2042
OK-201	US 10,899,796	Method of Use	Dry Eye, Pain, Inflammation	2036	2042
OK-201	EP3373947	Composition of Matter and Use	Neuropathic Pain, Ocular Pain, Ocular inflammation, or Dry Eye	2036	2041
OK-201	Pending	Method of Use		2036	2040

Source: OKYO company filings and B. Riley Securities Research

License agreement for urcosimod. On Target Therapeutics (OTT) and Tufts Medical Centre (TMC) entered into a license agreement on April 3, 2017, pursuant to which OTT licensed exclusive rights to certain patent applications that describe and claim lipidated chemerin peptides ("chemerin") and their uses in DED. The license remains in effect until the royalty term has expired with respect to all licensed products in all countries. The license may be terminated by either party in the event of a material breach, and OTT may terminate the license at any time upon 90 days' notice.

On May 22, 2017, OTT entered into a license and sublicense agreement with Panetta Partners Limited, one of OKYO's principal stockholders, related to chemerin, which was licensed from OTT and sublicensed from TMC. On May 1, 2018, OKYO entered into an assignment of the sublicense with Panetta Partners Limited. Under the terms of the license, OKYO has exclusive rights to chemerin. Specifically, OKYO has the benefit of the exclusive worldwide rights to a U.S. patent application (which, if issued, would expire in 2036). In addition, OKYO has exclusive worldwide rights to a patent cooperation treaty (PCT) patent, which has been nationalized in the U.S., Europe, Japan, Australia, and Canada, and if issued, it would expire in 2037.

The Chemerin License Agreement provides for payment by OKYO of up to $4.9M in development milestones and up to $37M in sales milestones as follows:

Development milestone payments:

- $300,000 upon first patient enrolled in a Phase I clinical trial.
- $600,000 upon first patient enrolled on a Phase II clinical trial.
- $1,500,000 upon first patient enrolled in a Phase III clinical trial.
- $2,500,000 upon first commercial sale of a licensed product.

Sales milestones payments:

- $2,000,000 on first achievement of annual net sales of $50,000,000.
- $4,000,000 on first achievement of annual net sales of $100,000,000.
- $6,000,000 on first achievement of annual net sales of $250,000,000.
- $10,000,000 on first achievement of annual net sales of $500,000,000.
- $15,000,000 on first achievement of annual net sales of $1,000,000,000.

The above payments equate to low and declining single-digit percentage royalties on net sales.

OKYO has novel composition-of-matter coverage on the lipidated chemerin peptide lead analogues and novel method-of-use claims in treating DED and other ophthalmic diseases.

OK-201. OKYO entered into a license agreement with TMC on May 1, 2018, related to intellectual property and proprietary technology for the use of certain lipidated BAM peptides in the treatment of neuropathic pain. Under the terms of the license agreement, OKYO has acquired an exclusive license to certain patents (pending and issued) and inventions (including future patent filings on lipidated BAM molecules related to the licensed patents). The license agreement requires an up-front license fee of $15,000 (£11,000), which has been paid by OKYO, and annual maintenance fees of $15,000 (£11,000) commencing on the first anniversary of the license agreement. The

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maintenance fees decrease to $10,000 after the three-year anniversary until the first commercial sale. The license agreement also provides for further development, sales milestone payments, and royalties.

On February 23, 2021, OKYO announced that patent No. 10,899,796 entitled "Compounds and methods for treating pain" was issued by the U.S. Patent and Trademark Office. The patent is directed to a class of BAM peptides linked to specific lipids that demonstrate potential in treating symptoms of neuropathic pain, ocular pain, ocular inflammation, and/or DED. In addition to the license from TMC, OKYO has a collaboration agreement with TMC pursuant to which TMC has agreed to make available the services of Pedram Hamrah, M.D., as principal investigator to carry out investigative and research studies in furtherance of the OK-201 corneal neuropathic pain program. The patent will expire in early 2036.

Market Model

We primarily base our market model and valuation on expected urcosimod approval in treating NCP by reducing ocular inflammation and corneal pain. We base our estimates on a subset of dry eye disease adult patients in the U.S. and EU who have NCP. In the U.S., we project that there are an estimated total of 1.55M patients in 2025, growing to an estimated 1.78M by 2034E, while in the EU, we estimate that there are a total of 2.3M patients in 2025, growing to 2.56M by 2034E. While in the U.S., this population should grow a forecasted ~1.5% per year, in the EU, this population is expected to grow around 1.2% per year. Given timelines from other trials in similar indications, we estimate a commercial U.S. launch of urcosimod in 2029E, with an EU launch the following year. Given the high unmet need, urgency of the indication, and highly competitive landscape, we model peak market share of 85% for urcosimod in 2034E. We currently ascribe a probability of success (POS) of 35% for urcosimod, given the stage of development, and model yearly U.S. annual costs of ~$6,000 for the drug. We currently do not ascribe value to urcosimod in dry eye disease or for (OK-201), for which OKYO is considering a partnership.

Forecasted Market Model for Urcosimod in Neuropathic Corneal Pain

US NCP population

	2019A	2020A	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
U.S. adults dry eye disease population	15.44	15.67	15.91	16.15	16.40	16.65	16.90	17.15	17.41	17.67	17.93	18.20	18.47	18.75	19.03	19.32
Annual growth rate 1.5%																
U.S. adults with neuropathic pain (M)	1.42	1.44	1.46	1.49	1.51	1.53	1.55	1.58	1.60	1.63	1.65	1.67	1.70	1.73	1.75	1.78
Prevalence 9.2%																
Diagnose rate 35%																
Treatable Population (M)											0.58	0.59	0.59	0.60	0.61	0.62
% penetration											*0.5%*	1%	3%	4%	5%	7%
Total addressable population (M)											0.00	0.01	0.02	0.02	0.03	0.04
Market Share																
Urcosimod											*80%*	*81%*	*82%*	*83%*	*84%*	*85%*
Other off label											*20.0%*	*19%*	*18%*	*17%*	*16%*	*15%*
Treated patients (M)											0.00	0.00	0.01	0.02	0.03	0.04
Annual price											$ 6,012	$ 6,192	$ 6,378	$ 6,569	$ 6,767	$ 6,970
Gross to net											*10%*	*10%*	*10%*	*10%*	*10%*	*10%*
PoS											*35%*	*35%*	*35%*	*35%*	*35%*	*35%*
U.S. risk-adjusted sales ($M)											$ 4.37	$ 9.26	$ 29.38	$ 41.41	$ 54.67	$ 80.80

EU NCP population

	2019A	2020A	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EU adults dry eye disease population	29.68	30.04	30.41	30.78	31.15	31.52	31.90	32.28	32.67	33.06	33.46	33.86	34.27	34.68	35.10	35.52
Annual growth rate 1.2%																
EUadults with neuropathic pain (M)	2.14	2.16	2.19	2.22	2.24	2.27	2.30	2.32	2.35	2.38	2.41	2.44	2.47	2.50	2.53	2.56
Prevalence 7.2%																
Diagnose rate 35%																
Treatable Population (M)												0.85	0.86	0.87	0.88	0.90
% penetration												*0.5%*	1%	3%	4%	5%
Total addressable population (M)												0.00	0.01	0.03	0.04	0.04
Market Share																
Urcosimod												*82%*	*83%*	*84%*	*85%*	*85%*
Other off label												*18.0%*	*17%*	*16%*	*15%*	*15%*
Treated patients (M)												0.00	0.01	0.02	0.03	0.04
Annual price												$ 4,810	$ 4,954	$ 5,103	$ 5,256	$ 5,413
Gross to net												*10%*	*10%*	*10%*	*10%*	*10%*
PoS												*35%*	*35%*	*35%*	*35%*	*35%*
EU risk-adjusted sales ($M)												$ 5.30	$ 11.17	$ 35.29	$ 49.53	$ 65.12

Source: B. Riley Securities Research

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Financial Position and Liquidity Outlook

As of March 31, 2025, OKYO held $1.6M in cash and marketable securities, with pro forma cash of ~$3.5M, including $1.9M raised in non-dilutive financing on July 17. Operationally, research and development expenses decreased from $8.2M to $2.3M Y/Y, due to decreased clinical trial activities for urcosimod in DED. OKYO reduced operating expenses from $7.5M to $4.8M Y/Y, primarily due to decreases in bonuses, a reduction in D&O insurance premiums, a reduction in consultancy spend, and a decrease in option charges due to the surrender of unvested options. The company reported a net loss of $16.7M, compared to a $13.7M loss at the same time in 2024. Reported cash on hand does not currently provide 12 months of liquidity, placing OKYO's ability to continue as a going concern.

Management and Board of Directors[11]

Gary Jacob, Ph.D., CEO and director. Dr. Jacob has more than 35 years of experience in the pharmaceutical and biotechnology industries across multiple disciplines, including research and development, operations, business development, capital financing activities, and senior management. He is the co-founder and former CEO and chairman of Synergy Pharmaceuticals. During his time at Synergy, he served as chairman, CEO, and executive chairman and is the co-inventor of Synergy's FDA-approved drug Trulance, which is currently marketed in the U.S. by Bausch Health, Inc. to treat functional GI disorders. Dr. Jacob is also the former CEO and managing director of Immuron Inc., an Australian biotechnology company dual-listed on the Australian ASX exchange and on the NASDAQ. He is also the former chairman of the board of Hepion Pharmaceuticals, Inc., a NASDAQ-listed company with a drug in clinical development to treat nonalcoholic steatohepatitis (NASH), and is on the board of directors of Cardiff Oncology, Inc., a NASDAQ-listed oncology company. He served as CEO and director of Callisto Pharmaceuticals, Inc. from May 2003 until January 2013. Prior to Callisto and Synergy, Dr. Jacob was at Monsanto/G.D. Searle, where he was director of glycobiology and a Monsanto Science Fellow, specializing in the field of glycobiology and drug discovery. Dr. Jacob holds more than 30 patents and is the co-inventor of two FDA-approved pharmaceutical drugs. He earned a B.S. cum laude in chemistry from the University of Missouri, St. Louis, and a Ph.D. in biochemistry from the University of Wisconsin, Madison.

Keeren Shah, CFO. Ms. Shah serves as OKYO's CFO. She also serves as the finance director of Tiziana Life Sciences LTD, Accustem Sciences Limited, and Rasna Therapeutics Inc., having previously served as the group financial controller for all three businesses from June 2016 to July 2020. Prior to joining OKYO, Ms. Shah spent 10 years at Visa, Inc. as a senior leader in its finance team, where she was responsible for key financial controller activities, financial planning and analysis, and core processes, as well as leading and participating in transformation programs and Visa Inc.'s initial public offering. Before joining Visa, Ms. Shah held a variety of finance positions at companies including Arthur Andersen and BBC Worldwide. She holds a Bachelor of Arts with honors in economics and is a member of the Chartered Institute of Management Accountants.

Raj Patil, Ph.D., CSO. Dr. Patil previously worked with Ora Inc. as vice president of research and development, where he was responsible for driving all anterior and posterior segment research of Ora's R&D Institute. Dr. Patil was previously vice president of advanced ocular delivery systems at iVeena Delivery Systems. His tenure at iVeena included a two-year sabbatical in Singapore, where he served as an Associate Professor of Ophthalmology at DUKE/NUS Medical School and principal investigator at the Singapore Eye Research Institute. Dr. Patil also held a number of leadership roles at the Alcon/Novartis Institute of Biomedical Research, including associate director of research and head of molecular pharmacology, glaucoma, and retina research. Before then, Dr. Patil served as an Associate Professor of Ophthalmology, Cell Biology & Genetics at the University of Nebraska Medical Centre in Omaha and as an Assistant Professor of Ophthalmology, Molecular Biology & Pharmacology at Washington University in St. Louis. Dr. Patil received his Ph.D. in biochemistry from the National Chemical Laboratory/University of Pune, India, and completed his postdoctoral training in biochemistry and molecular biology at the University of Michigan, Ann Arbor, Michigan.

Gabriele Cerrone, nonexecutive chairman of OKYO Pharma and executive chairman of Tiziana Life Sciences. Mr. Cerrone has founded 10 biotechnology companies in oncology, infectious diseases, and molecular diagnostics, and has taken seven of these companies to the NASDAQ market and two to the Main Market and AIM Market in London. Mr. Cerrone is executive chairman and founder of Tiziana Life Sciences plc, a neuroinflammatory-focused therapeutics company. He co-founded Cardiff Oncology, Inc., an oncology company, and served as its co-chairman; he was a co-founder and served as chairman of both Synergy Pharmaceuticals, Inc. and Callisto Pharmaceuticals, Inc., and was a director of and led the restructuring of Siga Technologies, Inc. He also co-founded FermaVir Pharmaceuticals, Inc. and served as chairman of the board until its merger in September 2007 with Inhibitex, Inc. Mr. Cerrone served as a director of Inhibitex, Inc. until its $2.5B sale to Bristol-Myers Squibb Co. in 2012. He is the chairman and co-founder of Rasna Therapeutics Limited, a company focused on the development of therapeutics for leukemias; co-founder of Hepion Pharmaceuticals, Inc.; executive chairman and co-founder of Gensignia Life Sciences, Inc., a molecular diagnostics company focused on oncology using microRNA technology; executive chairman and founder of Accustem Sciences plc; and founder of BioVitas Capital Ltd.

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Willy Simon, nonexecutive director of OKYO Pharma. Mr. Simon is a banker and worked at Kredietbank N.V. and Citibank London before serving as an executive member of the board of Generale Bank NL from 1997 to 1999 and as the chief executive of Fortis Investment Management from 1999 to 2002. He acted as chairman of Bank Oyens & van Eeghen from 2002 to 2004. Mr. Simon has been chairman of Bever Holdings, a company listed in Amsterdam, since 2006 and chairman of Ducat Maritime since 2015. He is also a nonexecutive director of Tiziana Life Sciences plc.

John Brancaccio, nonexecutive director of OKYO Pharma. Mr. Brancaccio, retired CPA, is a financial executive with international and domestic experience in pharmaceutical and biotechnology for privately and publicly held companies. From 2000 to 2002, he was CFO/COO of the entertainment and media company Eline Group. From May 2002 until March 2004, he served as CFO of biotechnology company Memory Pharmaceuticals Corp. From April 2004 until May 2017, Mr. Brancaccio was CFO of Accelerated Technologies, Inc., an incubator for medical device companies. He is currently a director of Cardiff Oncology, Inc., Hepion Pharmaceuticals, Inc., Rasna Therapeutics, Inc., and Tiziana Life Sciences plc.

Bernard F. Denoyer, nonexecutive director of OKYO Pharma. Mr. Denoyer has 49 years of financial management experience, including his service as senior vice president, finance and secretary of development-stage Synergy Pharmaceuticals, Inc., from July 2008 to his retirement in June 2017. Between 2004 and January 2013, Mr. Denoyer concurrently served as principal financial officer of Synergy's former parent company, Callisto Pharmaceuticals, Inc. From October 2000 to December 2003, he was an independent consultant. Prior to this, he served as CFO and senior vice president of META Group, Inc. Mr. Denoyer earned his CPA while with Ernst & Young in 1975. He received a Master's Certificate of Accounting from the Kellogg Graduate School of Management in 1974, an M.B.A. in finance with honors from Columbia Business School in 1972, and a B.A. in economics from Fairfield University in 1969. Mr. Denoyer is fluent in French and studied in Paris at l'Istitut d'Etude Politique et Economique in 1968. He is currently serving on the Board of Trustees for two not-for-profits, St. Edmunds Retreat, Inc., and Midwestern Connecticut Council on Alcoholism, Inc.

Scientific Advisory Board[11]

Pedram Hamrah, M.D., FRCS, FARVO. Dr. Hamrah is an interim chair of ophthalmology, cornea specialist, and clinician-scientist at Tufts Medical Center in Boston, with a focus on corneal immunology and neuroscience, ocular imaging (immuno-imaging), ocular surface diseases, and corneal neuropathic pain. He is currently a faculty member in the departments of ophthalmology and bioengineering at Tufts University, where he is the director of clinical research and director of the Center for Translational Ocular Immunology. In addition, he is a faculty member at the immunology, neuroscience, and cell, molecular, and developmental biology graduate programs at the Sackler School of Graduate Biomedical Sciences at Tufts.

Jay S. Pepose, M.D., Ph.D., FARVO. Dr. Pepose, a specialist in refractive surgery and corneal and external diseases, is the founder and medical director of the Pepose Vision Institute and held the Bernard Becker Chair in Ophthalmology and Visual Sciences at Washington University School of Medicine in St. Louis. He is a consultant to numerous ophthalmic drug and device companies and serves as a director and chief medical advisor for Ocuphire Pharma. Dr. Pepose received an A.B. and M.A. in neurophysiology from Brandeis University and completed the M.D.-Ph.D. program at UCLA School of Medicine. He completed his ophthalmology residency at the Wilmer Institute at the Johns Hopkins Medical Center and fellowship training at Georgetown University Medical Center.

Victor Perez, M.D. Dr. Perez is a director of cornea research at the Bascom Palmer Eye Institute at the University of Miami Miller School of Medicine. He is a clinician-scientist investigator in the field of ocular immunology and ocular surface diseases and served as director of Duke Eye Center's Ocular Immunology Center before joining the Bascom Palmer Eye Institute.

Anat Galor, M.D. Dr. Galor is a cornea and uveitis-trained specialist with dual appointments at the Bascom Palmer Eye Institute and the Miami VA Medical Center. Dr. Galor completed an ophthalmology residency at the Cole Eye Cleveland Clinic, a uveitis fellowship at the Wilmer Eye Institute, and a cornea and external diseases fellowship at the Bascom Palmer Eye Institute. Dr. Galor currently runs the ocular surface pain program at the Bascom Palmer Eye Institute and the Miami VA and has focused her research on understanding mechanisms of pain in dry eye, with an emphasis on studying new diagnostic and treatment modalities.

Mark Milner, M.D. Dr. Milner is director of cornea at Goldman Eye in Palm Beach Gardens, Florida, with a focus on dry eye disease and dysfunctional tear syndrome. Dr. Milner completed his ophthalmology residency at the New York Eye and Ear Infirmary and his fellowship in cornea, external disease, and uveitis at the Francis I. Proctor Foundation at the University of California, San Francisco. Dr. Milner served as an Associate Clinical Professor at Yale University Medical School, Department of Ophthalmology, and was previously the director of the cornea clinic at The Veterans Administration Medical Center in West Haven, Connecticut.

Napoleone Ferrara, M.D. Dr. Ferrara is a Professor at the University of California, San Diego Medical Center and a member of the National Academy of Sciences. He is also the Hildyard Endowed Chair in Eye Disease. Dr. Ferrara earned his medical degree at the University of Catania Medical School in Italy and completed his postdoctoral research at the University of California, San Francisco.

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Income Statement—OKYO Pharma Limited (OKYO)

Income Statement

$ in millions, except EPS	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net revenues	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.4**	**14.6**	**40.6**	**76.7**	**104.2**	**145.9**
Cost of goods sold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.4**	**14.6**	**40.6**	**76.7**	**104.2**	**145.9**
Operating Expenses													
Research and development	(1.6)	(6.3)	(8.2)	(2.3)	(5.6)	(10.1)	(12.2)	(14.6)	(16.1)	(16.4)	(16.6)	(16.7)	(16.9)
Operating Expenses	(4.6)	(6.8)	(7.5)	(4.8)	(6.3)	(9.4)	(13.2)	(17.2)	(18.9)	(19.8)	(20.8)	(21.9)	(23.0)
Total operating expenses	(6.2)	(13.2)	(15.7)	(7.1)	(11.9)	(19.6)	(25.4)	(31.8)	(35.0)	(36.2)	(37.4)	(38.6)	(39.8)
Other income (expense), net:													
Finance expense	0.0	(0.1)	(1.1)	(0.9)	(0.9)	(1.0)	(1.0)	(1.1)	(1.1)	(1.2)	(1.2)	(1.3)	(1.4)
Loss from operations before income taxes	(6.2)	(13.3)	(16.8)	(8.0)	(12.8)	(20.5)	(26.4)	(28.5)	(21.5)	3.2	38.1	64.3	104.7
Income tax	0.8	0.0	(0.0)	3.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Loss for the year	(5.4)	(13.3)	(16.8)	(4.7)	(12.9)	(20.6)	(26.4)	(28.5)	(21.5)	3.1	38.1	64.3	104.7
Other Comprehensive loss:													
Exchange differences on translating foreign operations	(0.8)	(0.4)	0.1	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Comprehensive loss	(6.3)	(13.7)	(16.7)	(4.9)	(13.0)	(20.7)	(26.6)	(28.7)	(21.7)	3.0	37.9	64.1	104.5
Basic EPS attributable to common stockholders	(0.36)	(0.60)	(0.57)	(0.20)	(0.27)	(0.34)	(0.32)	(0.28)	(0.21)	0.03	0.38	0.63	1.03
Diluted EPS attributable to common stockholders	(0.36)	(0.60)	(0.57)	(0.20)	(0.27)	(0.34)	(0.32)	(0.28)	(0.21)	0.03	0.38	0.63	1.03
Shares, basic (million)	15.065	22.257	29.344	39.488	47.874	60.111	81.523	100.380	100.631	100.883	101.135	101.388	101.641
Shares, diluted (million)	15.065	22.257	29.344	39.488	47.874	60.111	81.523	100.380	100.631	100.883	101.135	101.388	101.641

Cash Flow Statement

$ in millions	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net change in cash and cash equivalents	(3.3)	1.6	(3.3)	0.8	6.4	8.8	28.0	26.0	(16.9)	7.8	42.9	69.2	109.7
Cash and cash equivalents at beginning of period	6.9	2.7	4.0	0.8	1.6	8.0	16.7	44.8	70.8	53.9	61.7	104.6	173.8
Cash and cash equivalents at end of period	2.7	4.0	0.8	1.6	8.0	16.7	44.8	70.8	53.9	61.7	104.6	173.8	283.5
Cash flows from operating activities:													
Loss from operations before income taxes	(6.2)	(13.3)	(16.8)	(8.0)	(12.8)	(20.5)	(26.4)	(28.5)	(21.5)	3.2	38.1	64.3	104.7
Adjustment to reconcile net loss to net cash used in operating activities													
Share option charge	1.7	1.3	1.1	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9
Warrant charge	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Forfeiture of options	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Depreciation of fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Gain)/Loss on foreign exchange	(0.0)	0.1	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Expenses settled in shares	0.0	0.1	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares Issued in lieu of consultancy fees	0.0	0.0	0.0	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Shares Issued in lieu of bonus	0.0	0.0	0.0	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
CLN Fees settled in shares	0.0	0.0	0.0	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Shares Issued in lieu of interest	0.0	0.0	0.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9
Convertible loan interest accrued	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net increase/(decrease) in related party payables	0.0	0.8	(0.6)	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6
Net (increase)/decrease in operating assets/other receivables	(0.8)	0.2	0.4	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net (decrease)/increase in trade and other payables	(0.3)	3.0	2.8	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.5
Cash inflow from taxation	0.0	0.2	0.0	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.4
Net Cash Used in operating activities	**(5.5)**	**(7.7)**	**(9.5)**	**(1.8)**	**(8.6)**	**(16.2)**	**(22.0)**	**(24.0)**	**(16.9)**	**7.8**	**42.9**	**69.2**	**109.7**
Cash flows from investing activities:													
Acquisition of property, plant and equipment	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) investing activities	**(0.0)**	**(0.0)**	**0.0**	**(0.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash flows from financing activities:													
Proceeds from fundraising, net and issuance of ordinary shares	0.0	7.3	6.2	1.7	15.0	25.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0
Proceeds from convertible loan note	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan from related party	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Cash from Financing Activities	**2.2**	**9.3**	**6.2**	**2.7**	**15.0**	**25.0**	**50.0**	**50.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Exchange difference	**(0.9)**	**(0.3)**	**0.1**	**(0.1)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Proprietary to B. Riley Securities, December 7, 2025

William Wood . 703-312-1748 . wwood@brileysecurities.com

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DCF Analysis—OKYO Pharma Limited (OKYO)

DCF analysis

Fiscal year	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	value
Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.4	$ 14.6	$ 40.6	$ 76.7	$ 104.2	$ 145.9	
Cost of product sales	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross Profit	-	-	-	-	-	-	-	4.4	14.6	40.6	76.7	104.2	145.9	
R&D expense	(1.6)	(6.3)	(8.2)	(2.3)	(5.6)	(10.1)	(12.2)	(14.6)	(16.1)	(16.4)	(16.6)	(16.7)	(16.9)	
SG&A expense	(4.6)	(6.8)	(7.5)	(4.8)	(6.3)	(9.4)	(13.2)	(17.2)	(18.9)	(19.8)	(20.8)	(21.9)	(23.0)	
Finance expense	-	(0.1)	(1.1)	(0.9)	(0.9)	(1.0)	(1.0)	(1.1)	(1.1)	(1.2)	(1.2)	(1.3)	(1.4)	
Total operating expenses	(6.2)	(13.3)	(16.8)	(8.0)	(12.8)	(20.5)	(26.4)	(32.8)	(36.1)	(37.4)	(38.6)	(39.9)	(41.2)	
Operating income (EBIT)	**(6.2)**	**(13.3)**	**(16.8)**	**(8.0)**	**(12.8)**	**(20.5)**	**(26.4)**	**(28.5)**	**(21.5)**	**3.2**	**38.1**	**64.3**	**104.7**	
Taxes	0.8	0.0	(0.0)	3.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
After tax operating income	(7.0)	(13.3)	(16.8)	(11.2)	(12.8)	(20.5)	(26.4)	(28.4)	(21.5)	3.2	38.1	64.4	104.8	
depreciation and amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
capital expenditures	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
change in working capital	0.0	(3.1)	1.8	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
other non-cash items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Unlevered free cash flow	(7.0)	(10.2)	(18.6)	(11.2)	(12.8)	(20.5)	(26.3)	(28.4)	(21.4)	3.2	38.2	64.4	104.8	
Time period (years)					1.08	2.08	3.08	4.08	5.08	6.08	7.08	8.08	9.08	
Discount factor					0.9	0.8	0.7	0.6	0.5	0.5	0.4	0.3	0.3	
PV					(11.10)	(15.59)	(17.59)	(16.64)	(11.03)	1.46	15.10	22.35	31.91	
PV of Terminal Value														271.61

EV	201.1
+ Cash and Cash equivalents	1.6
Company value	202.7
- Long-term debt	-
Equity value	202.7
Fully diluted shares outstanding	37.7
Price/share	**$ 5.00**
WACC	14.0%
Terminal growth rate	2.0%

Shares (10-K, July 18, 2025)				**Dilution**
0,000 shares, on exercise of convertible notes	0.000	shares	$0.00 WAEP	0.000
1,818,903 shares, on exercise of stock options	1.819	shares	$1.68 WAEP	0.042
563,986 shares, on exercise of warrants	0.564	shares	$3.97 WAEP	0.000
0,000 shares, on exercise of unvested RSUs	0.000	shares	$0.00 WAEP	0.000
Possible dilution (million shares)				**0.042**

Assumptions	
Date	12/3/2025
Fiscal year ending (1-12)	6
Fiscal year ending (month)	July
Projections discounted to (1-12)	12.00
Projections discounted to (month)	December
Shares outstanding	37.611

WACC Calculations	
Risk-free rate	3%
Adjusted beta	1.69
Rm-Rf	6.5%
Re	14.0%
Rd	0.0%
WACC, calculated	14.0%

Balance Sheet	
Total debt	0.00
Cash and equivalents	1.56
Net debt	(1.56)
Debt, as a % of equity	0.00%
Cash per share	$ 0.04
Closing price, 12-03-25	$ 1.72
MC ($M), 12-03-25	$ 64.69

$ in millions except per share data.

Proprietary to B. Riley Securities December 7, 2025
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Valuation

We base our Buy rating and a 12-month price target of $5 per share on a discounted cash flow (DCF) analysis of revenue and cash flow projected through 2034E. Our projections of free cash flow from sales in NCP are risk-adjusted based on the historical development of similar candidates and our estimated POS. Our DCF analysis applies a WAC-calculated 14% discount rate and a 2% terminal growth rate, in line with other biotech companies. Our model yields a forecasted enterprise value of $201M.

Risks

Clinical risks. It is uncertain if the safety and efficacy data reported from the urcosimod program will be sufficient to support ex-U.S. regulatory approval in neuropathic corneal pain (NCP). Negative safety and/or efficacy findings in either program could expose our price target to downward revisions.

Regulatory risks. It is unclear whether the positive data generated in clinical trials will be sufficient for NDA approval in the U.S. for urcosimod in NCP. Additionally, there is no certainty that any of OKYO's drugs will be approved or reimbursed. If the regulatory path for OKYO's candidates is more complex and/or time-consuming than anticipated, there could be a materially negative impact on our estimates and price target, even with success in achieving clinical endpoints.

Commercialization risks. The market potential of OKYO's therapies may not be as significant as projected. OKYO will need to establish a sales and medical affairs infrastructure in the U.S., Europe, and other geographies for various pipeline candidates.

Financing risk. With approximately $1.6M in cash as of fiscal 4Q25, OKYO currently has a going concern, noting the need to raise additional capital for continued clinical and preclinical candidate development.

Stock price volatility. Share price volatility is common for developmental biopharma firms like OKYO.

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*Closing price of last trading day immediately prior to the date of this publication unless otherwise indicated.

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BUY [Buy]	77.30%	39.60%
HOLD [Neutral]	22.45%	23.86%
SELL [Sell]	0.26%	0.00%

(1) As of midnight on the business day immediately prior to the date of this publication.

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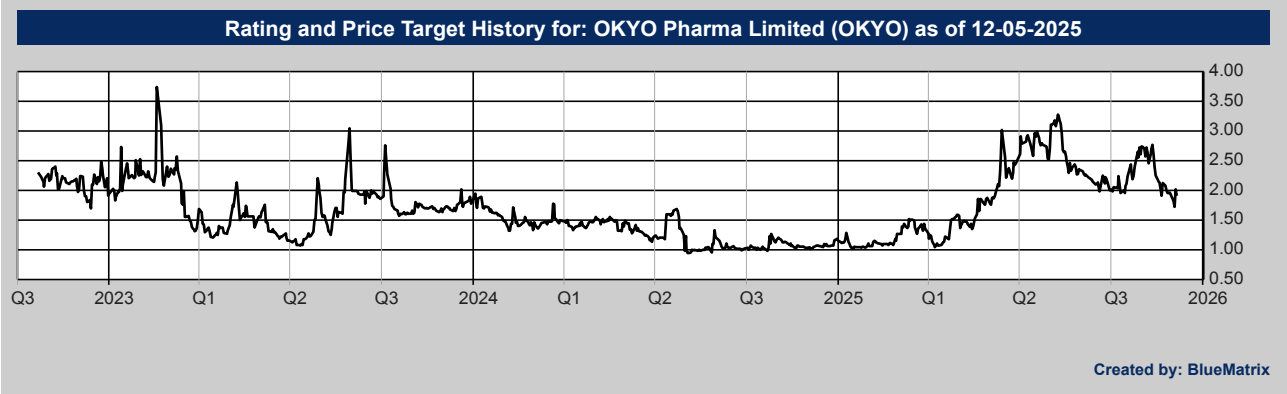
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