

EHA 2022

IADA HEADED FOR UPBEAT MOMENTUM IN JUNE

After the numerous qualitative signs obtained at the start of the week highlighting the positive perception of potential harboured in iadademstat, ORYZON has now provided news on the results of its Ph IIa ALICE trial undertaken in AML as part of the EHA 2022 (European Haematology Association) being held from 9 to 12 June. Data after 42 months remains positive, showing that iada, in combination with azacitidine chemotherapy, increases the response rate significantly: 81% of responders with the combo vs 28% with chemotherapy alone (according to the literature), out of the data base obtained in elderly or inapt patients suffering from AML. This rich and positive newsflow concerning iada this week has prompted a 23.4% hike in the share price over three days of trading.

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42-month response rate of 81% with the combo vs. 28% with azacitidine alone

The results collected as of 15 April 2022 show an objective response rate (ORR) of 81% (or 22 patients out of 27 assessable), of which 64% of complete remissions (14 CR/CRi) and 36% partial remissions (8 PR). This data is all the more encouraging in that the literature shows an ORR of around 28% with standard chemotherapy (CT), azacitidine, in this target population of elderly or inapt patients suffering from AML.

In summary, ALICE data at 42 months showed that:

- 81% of patients obtained an objective response rate: 14 complete responses and 8 partial responses, bearing in mind that 86% of CR patients are no longer dependent on transfusion;
- 75% of samples tested in CR patients were MRD (Minimal Residual Disease) negative by flow cytometry, meaning the cancer was no longer detectable after treatment;
- 64% of CR were durable (more than six months);
- 91% of patients responded at the end of cycle 2;
- So far, six patients remain under treatment in the trial, three of which have been included for a year, two for more than two years and one for more than three years.

Clinical results of four-year follow up expected in six months : RDV at ASH 2022?

Recruitment for the ALICE trial is now complete. Note that the trial concerned 36 patients with a median age of 77, of which 27 patients were assessable for measures concerning efficacy. At this stage, the patients will be monitored for a further six months in order to collect 48-month (four year) follow-up data. The end results will probably be presented during the ASH 2022 congress in December this year.

Clinical responses were observed in patients presenting various mutations, thereby supporting the assumption that the combo could be interesting for different patient profiles. Complementary research works combining iada with targeted therapies for treatment of AML sub-populations could be initiated in this respect.

Finally, the iada/azacitidine combo has proved to be safe and efficient for treatment of elderly/inapt patients in recently-diagnosed AML. The safety profile was generally beneficial with no significant non-haematological toxicity observed.

Invest Securities and the issuer have signed an analyst coverage agreement.

in € / share	2022e	2023e	2024e
Adjusted EPS	0,57	0,48	0,81
chg.	n.s.	-15,6%	+67,1%
estimates chg.	-937%	-517%	n.s.
au 31/12	2022e	2023e	2024e
PE	0,0x	0,0x	0,0x
EV/Sales	0,2x	-0,2x	-0,3x
EV/Adjusted EBITD	0,2x	-0,2x	-0,7x
EV/Adjusted EBITA	0,2x	-0,2x	-0,7x
FCF yield*	198,8%	#####	-86,2%
Div. yield (%)	n.s.	n.s.	n.s.

* After tax op. FCF before WCR

key points			
Closing share price	09/06/2022		3,0
Number of Shares (m)			53,1
Market cap. (€m)			157
Free float (€m)			126
ISIN			ES0167733015
Ticker			ORY-ES
DJ Sector			Health Technology
	1m	3m	Ytd
Absolute perf.	+40,0%	+15,2%	+9,4%
Relative perf.	+32,6%	+16,5%	+26,3%

Source : Factset, Invest Securities estimates

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FINANCIAL DATA

Share information	2017	2018	2019	2020	2021	2022e	2023e	2024e
Published EPS (€)	-0,15	-0,03	-0,08	-0,08	-0,14	0,57	0,48	0,81
Adjusted EPS (€)	-0,15	-0,03	-0,08	-0,08	-0,14	0,57	0,48	0,81
<i>Diff. I.S. vs Consensus</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Dividend	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Valuation ratios	2017	2018	2019	2020	2021	2022e	2023e	2024e
P/E	n.s.	n.s.	n.s.	n.s.	n.s.	0,0x	0,0x	0,0x
EV/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	0,16x	-0,16x	-0,32x
EV/Adjusted EBITDA	n.s.	n.s.	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,7x
EV/Adjusted EBITA	n.s.	n.s.	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,7x
Op. FCF bef. WCR yield	n.s.	n.s.	n.s.	n.s.	n.s.	198,8%	-292,2%	-86,2%
Op. FCF yield	n.s.	n.s.	n.s.	n.s.	n.s.	198,8%	-292,2%	-86,2%
Div. yield (%)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
<i>NB : valuation based on annual average price for past exercise</i>								
Entreprise Value (€m)	2017	2018	2019	2020	2021	2022e	2023e	2024e
<i>Share price in €</i>	<i>4,6</i>	<i>0,0</i>	<i>3,3</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>
Market cap.	156	0	152	39	39	39	39	39
Net Debt	-17	-23	-27	-29	-15	-31	-43	-70
Minorities	0	0	0	0	0	0	0	0
Provisions/ near-debt	0	0	0	0	0	0	0	0
+/- Adjustments	0	0	0	0	0	0	0	0
Entreprise Value (EV)	139	-22	125	10	24	8	-4	-31
Income statement (€m)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Sales	0,0	0,0	0,0	0,0	0,0	50,0	26,5	96,3
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Adjusted EBITDA	-4	-3	-4	-4	-6	35	22	41
adjusted EBITA	-4	-3	-4	-4	-6	35	22	41
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>-36,39€</i>	<i>+87,69€</i>
EBIT	-4,7	-3,3	-3,8	-4,3	-6,8	34,1	21,5	40,7
Financial result	-1	-1	-1	0	0	0	0	0
Corp. tax	0	3	1	1	1	-9	0	-5
Minorities+affiliates	0	0	0	0	0	0	0	0
Net attributable profit	-5,2	-1,2	-3,7	-3,4	-5,9	25,0	21,1	35,2
Adjusted net att. profit	-5,2	-1,2	-3,7	-3,4	-5,9	25,0	21,1	35,2
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>-15,69€</i>	<i>+67,19€</i>
Cash flow statement (€m)	2017	2018	2019	2020	2021	2022e	2023e	2024e
EBITDA	-3,9	-3,1	-3,7	-4,1	-6,5	34,5	22,0	41,2
Theoretical Tax / EBITA	0,1	2,5	0,9	1,4	1,4	-8,7	0,0	-5,1
Capex	0,6	-7,0	-9,6	-9,1	-9,5	-9,5	-9,5	-9,5
Operating FCF bef. WCR	-3,2	-7,6	-12,4	-11,8	-14,6	16,3	12,5	26,7
Change in WCR	-0,2	0,3	0,3	-1,2	0,0	0,0	0,0	0,0
Operating FCF	-3,4	-7,3	-12,1	-13,1	-14,6	16,3	12,5	26,7
Acquisitions/disposals	5,1	0,1	0,5	0,1	0,0	0,0	0,0	0,0
Capital increase/decrease	16,9	11,9	18,4	18,2	0,0	0,0	0,0	0,0
Dividends paid	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other adjustments	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Published Cash-Flow	18,5	4,7	6,7	5,3	-14,6	16,3	12,5	26,7
Balance Sheet (€m)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Assets	25	32	42	52	61	70	79	88
Intangible assets/GW	22	29	40	49	58	68	77	86
WCR	-8	-9	-8	-5	-5	-5	-5	-5
Group equity capital	34	45	61	76	70	95	116	151
Minority shareholders	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0
Net financial debt	-17,2	-22,6	-26,7	-29,1	-14,5	-30,8	-43,3	-69,9
Financial ratios	2017	2018	2019	2020	2021	2022e	2023e	2024e
EBITDA margin	n.s.	n.s.	n.s.	n.s.	n.s.	69,0%	83,1%	42,8%
EBITA margin	n.s.	n.s.	n.s.	n.s.	n.s.	69,0%	83,1%	42,8%
Adjusted Net Profit/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	49,9%	79,6%	36,5%
ROCE	n.s.	n.s.	n.s.	n.s.	n.s.	53,0%	29,6%	49,5%
ROE adjusted	n.s.	n.s.	n.s.	n.s.	n.s.	26,3%	18,1%	23,3%
Gearing	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
ND/EBITDA (in x)	n.s.	n.s.	n.s.	n.s.	n.s.	-0,9x	-2,0x	-1,7x

Source : company, Invest Securities Estimates

INVESTMENT CASE

ORYZON GENOMICS is a Spanish biotechnology company specializing in the treatment of neurodegenerative diseases and cancer. Specializing in the field of epigenetics, the company aims, in all of its development programs, to identify biomarkers through its genetic and proteomic platforms in order to develop small molecule drugs. The company has delivered interesting results with its most advanced programs in areas more or less invested in terms of overall R&D efforts, cancer but also Covid-19 and cognitive disorders associated with neurodegenerative diseases or disorders of the personality.

SWOT ANALYSIS

STRENGTHS

- Epigenetic platform
- Extensive development pipeline
- Differentiating positioning

WEAKNESSES

- No partnership
- Risky indications (CNS)
- Intense competition in oncology

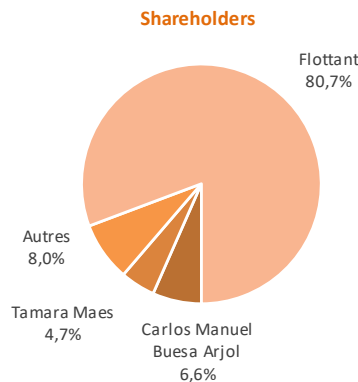
OPPORTUNITIES

- Potential partnership
- Extension of indications

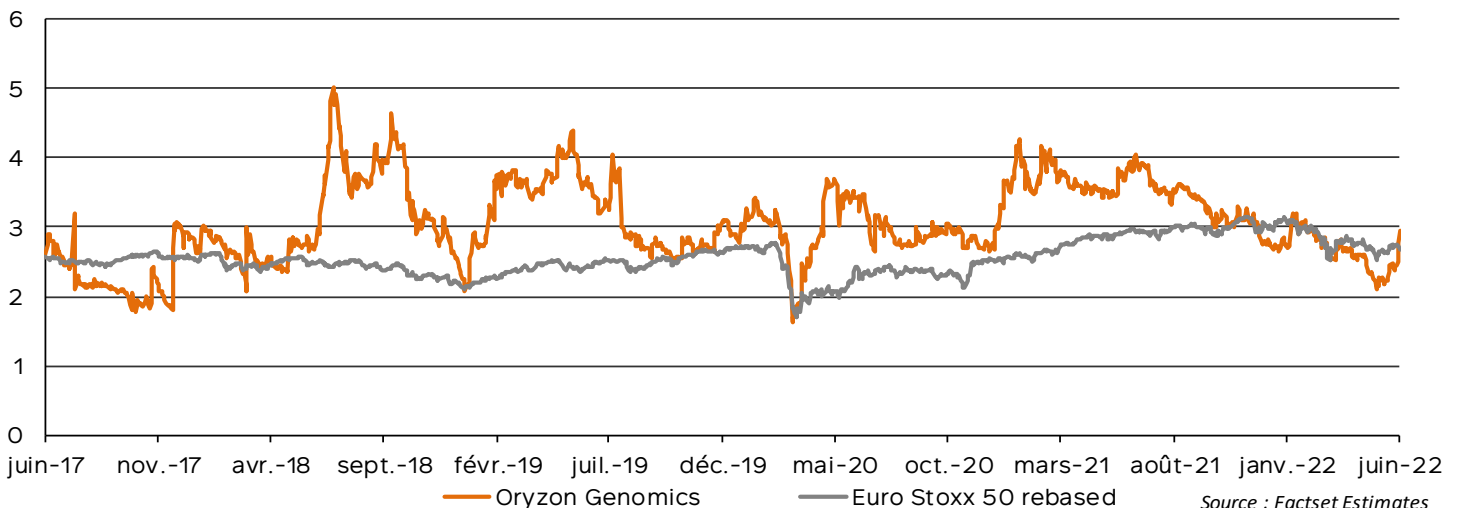
THREATS

- Clinical and regulatory risk
- Commercial risks
- Legal risks

ADDITIONAL INFORMATION



SHARE PRICE CHANGE FOR 5 YEARS



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TARGET PRICE AND RECOMMENDATION

Our analyst ratings are dependent on the expected absolute performance of the stock on a 6- to 12-month horizon. They are based on the company’s risk profile and the target price set by the analyst, which takes into account exogenous factors related to the market environment that may vary considerably. The Invest Securities analysis office sets target prices based on a multi-criteria fundamental analysis, including, but not limited to, discounted cash flows, comparisons based on peer companies or transaction multiples, sum-of-the-parts value, restated net asset value, discounted dividends.

Ratings assigned by the Invest Securities analysis office are defined as follows:

- BUY: Upside potential of more than 10% (the minimum upside required may be revised upward depending on the company’s risk profile)
- NEUTRAL: Between -10% downside and +10% upside potential (the maximum required may be revised upward depending on the company’s risk profile)
- SELL: Downside potential of more than 10%
- TENDER or DO NOT TENDER: Recommendations used when a public offer has been made for the issuer (takeover bid, public exchange offer, squeeze-out, etc.)
- SUBSCRIBE or DO NOT SUBSCRIBE: Recommendations used when a company is raising capital
- UNDER REVIEW: Temporary recommendation used when an exceptional event that has a substantial impact on the company’s results or our target price makes it impossible to assign a BUY, NEUTRAL or SELL rating to a stock

12-MONTHS HISTORY OF OPINION

The table below reflects the history of recommendation and price target changes made by Invest Securities' research department over the last 12 months.

Company Name	Main Author	Release Date	Rating	Target Price	Potential
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DETECTION OF CONFLICTS OF INTEREST

	Oryzon Genomics
Invest Securities was lead manager or co-lead manager in a public offer concerning the financial instruments of this issuer during the last twelve months.	No
Invest Securities has signed a liquidity contract with the issuer.	No
Invest Securities and the issuer have signed a research service agreement.	No
Invest Securities and the issuer have signed a Listing Sponsor agreement.	No
Invest Securities has been remunerated by this issuer in exchange for the provision of other investment services during the last twelve months (RTO, Execution on behalf of third parties, advice, placement, underwriting).	No
This document was sent to the issuer prior to its publication. This rereading did not lead the analyst to modify the valuation.	No
This document was sent to the issuer for review prior to its publication. This rereading led the analyst to modify the valuation.	No
The financial analyst has an interest in the capital of the issuer.	No
The financial analyst acquired equity securities of the issuer prior to the public offering transaction.	No
The financial analyst receives remuneration directly linked to the transaction or to an investment service provided by Invest Securities.	No
An executive officer of Invest Securities is in a conflict of interest with the issuer and was given access to this document prior to its completion.	No
Invest Securities or the All Invest group owns or controls 5% or more of the share capital issued by the issuer.	No
Invest Securities or the All Invest group holds, on a temporary basis, a net long position of more than 0.5% of the issuer's capital.	No
Invest Securities or the All Invest group holds, on a temporary basis, a net short position of more than 0.5% of the issuer's capital.	No
The issuer owns or controls 5% or more of the capital of Invest Securities or the All Invest group.	No

La politique de gestion des conflits d'intérêts d'Invest Securities est accessible sur le site d'Invest Securities dans la rubrique Règlements. Une liste de toutes les recommandations diffusées sur 12 mois ainsi que la publication trimestrielle de la part des « ACHAT, VENTE, NEUTRE, AUTRES » sur 12 mois, sont accessibles sur le site de recherche d'Invest Securities.

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