Oryzon Genomics

H122 update

Costs up but company remains well funded

Pharma and biotech

Oryzon Genomics has reported results for H122 and highlighted the progress of key assets iadademstat and vafidemstat during the period. It reported combined R&D grants of US$7.48m in H122. Total operating expenses amounted to US$10.90m (R&D expense US$8.12m), an 11% increase from H121 of US$9.78m (R&D US$7.26m). Expenses were largely due to costs associated with the clinical trial programme for iadademstat in acute myeloid leukaemia (AML) and vafidemstat in various central nervous system indications. Gross cash at end-H122 was US$23.60m. At the reported H122 burn rate of US$6.92m (capex including capitalised intangibles of US$5.35k plus cash loss from operations of US$1.57m), we estimate a cash runway to Q225, past key clinical readouts. As Oryzon's H122 results are in line with our estimates, our forecasts are unchanged. We value the company at €802m, or €15.1/share.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/20	9.5	(4.8)	(0.07)	0.0	N/A	N/A
12/21	10.6	(7.2)	(0.09)	0.0	N/A	N/A
12/22e	9.9	(7.0)	(0.10)	0.0	N/A	N/A
12/23e	10.0	(7.3)	(0.10)	0.0	N/A	N/A

Note: *Normalised, excluding amortisation of acquired intangibles and exceptional items.

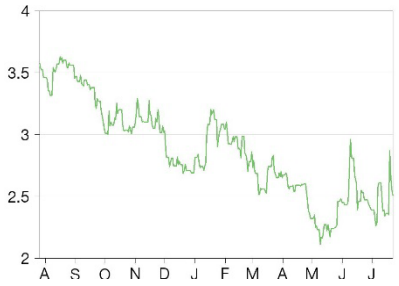
In addition to the financial update, management highlighted progress on the clinical development of epigenetic modulators iadademstat and vafidemstat in the period. Of note is the signing of a Cooperative Research and Development Agreement (CRADA) with the US National Cancer Institute in July 2022 for the development of iadademstat, following positive readouts from the ongoing Phase IIa ALICE study in first-line AML in June 2022. Iadademstat also received Orphan Drug Designation from the FDA for the treatment of small cell lung cancer (SCLC) in June 2022. Management expects to start enrolling patients in the FRIDA trial (Phase Ib study of iadademstat in combination with gilteritinib) for the first-line treatment of SCLC in H222.

The company's second asset, vafidemstat, continues to enrol patients in two Phase IIb trials for borderline personality disorder (PORTICO) and schizophrenia (EVOLUTION) and we expect initial results for both by end-2022. Oryzon is also pursuing the development of vafidemstat in Kabuki syndrome and is finalising plans for a Phase I/II HOPE trial. We expect the trial to begin in H222. For further detail on the company's pipeline, financials and valuation, see our recent update report.

25 July 2022

Price	**€2.56**
Market cap	**€138m**
	US$1.07/€
Net cash (€m) 30 June 2022	5.37
Shares in issue	54.0m
Free float	80%
Code	ORY
Primary exchange	Madrid Stock Exchange
Secondary exchange	N/A

Share price performance



Business description

Oryzon Genomics is a Spanish biotech focused on epigenetics. Iadademstat is being explored for acute leukaemias and small cell lung cancer. Vafidemstat, its central nervous system asset, has completed several Phase IIa trials and a Phase IIb trial in borderline personality disorder is now the lead study. Oryzon is rapidly expanding its central nervous system R&D pipeline.

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