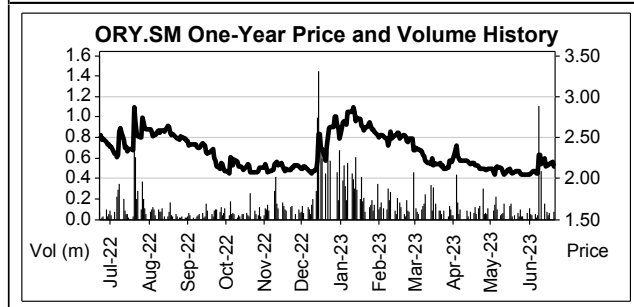


Healthcare: Biotechnology
Company Update
Oryzon Genomics SA | ORY.SM - €2.14 - MADRID | Buy

Stock Data			
52-Week Low - High	€1.98 - €2.94		
Shares Out. (mil)	57.85		
Mkt. Cap.(mil)	€123.80		
3-Mo. Avg. Vol.	109,496		
12-Mo.Price Target	€15.00		
Cash (mil)	\$20.0		
Tot. Debt (mil)	\$21.9		
Rev (\$M)			
Yr Dec	—2022—	—2023E—	—2024E—
		Curr	Curr
1Q	0.0A	0.0A	-
2Q	0.0A	0.0E	-
3Q	0.0A	0.0E	-
4Q	0.0A	0.0E	-
YEAR	0.0A	0.0E	0.0E
EPS \$			
Yr Dec	—2022—	—2023E—	—2024E—
		Curr	Curr
1Q	(0.03)A	(0.03)A	-
2Q	0.01A	(0.05)E	-
3Q	(0.01)A	(0.07)E	-
4Q	(0.05)A	(0.07)E	-
YEAR	(0.08)A	(0.22)E	(0.46)E
P/E	NM	NM	NM



ORY: Encouraging Preclinical ORY-4001 Data In CMT Disease At PNS-2023 Meeting

Yesterday, ORY orally presented encouraging preclinical results for ORY-4001, a selective HDAC-6 inhibitor having highly favorable pharmacology, at the 2023 Peripheral Nerve Society annual meeting (PNS-2023), showing the drug to reverse disease progression symptoms in a murine model of Charcot-Marie-Tooth (CMT). The current results have inclined ORY to start IND enabling studies for ORY-4001. As for potential clinical evaluation, HDAC6 inhibitors are proposed as potential treatments for CMT, ALS, and other unmet neurological disorders.

- Yesterday, ORY orally presented encouraging preclinical results for ORY-4001, a selective HDAC-6 inhibitor having highly favorable pharmacology, at the 2023 Peripheral Nerve Society annual meeting (PNS-2023), showing the drug to reverse disease progression symptoms in a murine model of Charcot-Marie-Tooth (CMT). The work resulted from a 2022 collaboration between ORY and the U.S.-based, non-profit CMT Research Foundation to evaluate ORY's HDAC-6 inhibitors. CMT is a progressive, degenerative peripheral nerve disease and has a U.S. and global prevalence of about 150,000 and three million, respectively. CMT is caused by several genetic mutations, with CMT1A as the most prevalent mutation, accounting for about half of all those with CMT.
- In a dose-dependent manner, ORY-4001 reversed CMT1A phenotypes, in particular improving myelination and restoring axon integrity in the sciatic nerve, and improved compound muscle action potential and nerve conduction versus untreated mice. Mice treated with ORY-4001 also had significant body weight recovery, which is suggestive of overall physiological improvement. These benefits seen were achieved with safe ORY-4001 doses that were below the murine MTD, thereby opening up the possibility that higher doses could safely increase the observed benefit without hematologic toxicity. In addition to the new results, ORY-4001 has previously shown strong anti-inflammatory properties in *in-vivo* models of inflammation. The current results have inclined ORY to start IND enabling studies for ORY-4001. As for potential clinical evaluation, HDAC6 inhibitors are proposed as potential treatments for CMT, ALS, and other unmet neurological disorders.

VALUATION

Our 12-month price target of €15, is based on a DCF analysis using a 40% discount rate that is applied to all cash flows and the terminal value, which is based on a 4x multiple of our projected 2030 operating income of \$988 million. We arrive at this valuation by projecting future revenue from vafidemstat in borderline personality disorder and Kabuki syndrome, as well as iadademstat in AML and SCLC.

Factors that could impede shares of ORY.SM from achieving our price target include vafidemstat and iadademstat failing to generate statistically significant clinical results. Also, regulatory agencies could fail to approve these drugs even if pivotal clinical trials are statistical successes, due to the agency viewing the results as not clinically meaningful. Loss of key management personnel could also impede achieving our price target, as could smaller than projected commercial opportunity due to changes in market size, competitive landscape, and drug pricing and reimbursement.

RISKS

- **Clinical risk.** ORY.SM's clinical staged products could fail to deliver statistically significant results in late-stage clinical trials, substantially reducing the value of ORY.SM's product candidates and therefore our target price.
- **Regulatory risk.** Even if successful in the clinic, ORY.SM's products could fail to be approved by domestic and/or foreign regulatory bodies, which would reduce ORY.SM's value and therefore our target price.
- **Financing risk.** ORY.SM will need additional capital to fund its operations, and such financing may not occur, or it could be substantially dilutive to existing investors.
- **Competitive risk.** For any future approved ORY.SM products, they may not be well adopted in a competitive marketplace, which would adversely affect ORY.SM's value and therefore our target price.
- **High stock price volatility.** This issue is common among small-cap biotechnology companies with relatively low trading volumes.

COMPANY DESCRIPTION

Founded in 2000 in Barcelona, Spain, Oryzon is a clinical stage biopharmaceutical company considered as the European leader in epigenetics. Oryzon has one of the strongest portfolios in the field, with two LSD1 inhibitors, iadademstat and vafidemstat, in Phase 2 clinical trials, and other pipeline assets directed against other epigenetic targets. In addition, Oryzon has a strong platform for biomarker identification and target validation for a variety of malignant and neurological diseases. For more information, visit www.oryzon.com.

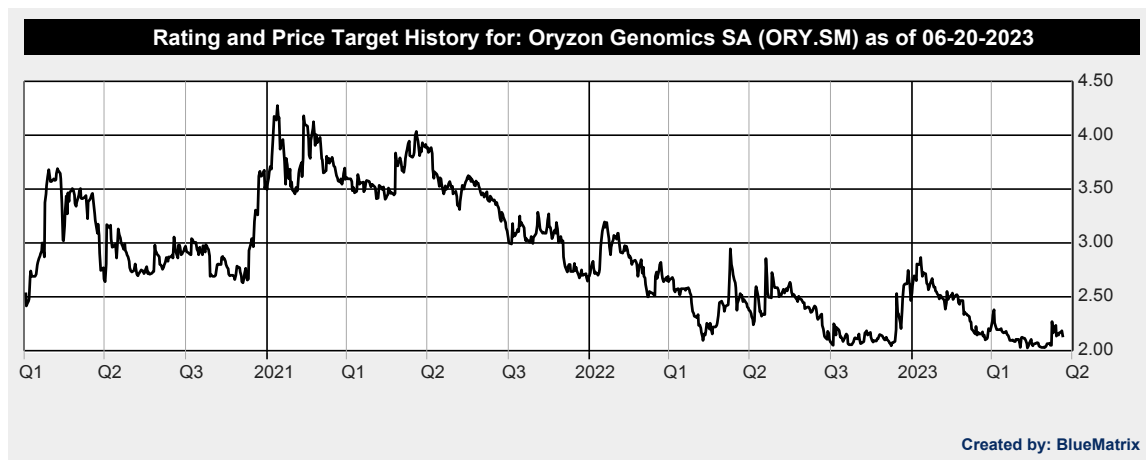
Oryzon Genomics SA																				Jonathan Aschoff, Ph.D. (646) 616-2795			
Income Statement																				jaschoff@roth.com			
Fiscal Year ends December																							
(in 000, except per share items)																							
	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23E	3Q23E	4Q23E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	
Global iadademstat revenue																	25,778	99,451	209,468	313,934	372,470	389,751	
Global vafidemstat revenue																	98,463	342,237	520,351	615,106	684,577	721,921	
Collaboration revenue	20																						
Total revenue	20																124,241	441,689	729,819	929,040	1,057,047	1,111,672	
Cost of revenue																	5,420	17,066	34,941	48,990	59,606	64,604	
R&D	6,363	8,489	12,647	13,591	15,118	4,228	4,166	4,274	5,033	17,701	4,372	4,591	4,820	5,061	18,844	22,613	27,135	29,849	31,341	31,655	31,971	32,291	
G&A	4,502	2,993	3,176	3,484	5,529	1,343	1,520	659	1,249	4,771	1,223	1,235	1,248	1,260	4,966	7,449	13,408	20,112	22,123	24,335	25,552	26,830	
Total operating expenses	10,865	11,482	15,823	17,075	20,647	5,571	5,686	4,933	6,282	22,472	5,595	5,826	6,068	6,321	23,810	30,061	45,963	67,027	88,405	104,980	117,129	123,724	
Operating income	(10,845)	(11,482)	(15,823)	(17,075)	(20,647)	(5,571)	(5,686)	(4,933)	(6,282)	(22,472)	(5,595)	(5,826)	(6,068)	(6,321)	(23,810)	(30,061)	78,278	374,662	641,414	824,060	939,918	987,948	
Other income (net)	5,659	8,143	11,522	11,805	12,510	3,826	3,894	4,248	4,693	16,661	4,215	3,000	2,000	2,000	11,215								
Net income (pretax)	(5,186)	(3,339)	(4,301)	(5,269)	(8,137)	(1,745)	(1,792)	(685)	(1,589)	(5,811)	(1,380)	(2,826)	(4,068)	(4,321)	(12,595)	(30,061)	78,278	374,662	641,414	824,060	939,918	987,948	
Net financial & tax	1,047	(1,991)	(187)	(1,098)	(2,760)	67	(2,139)	(67)	863	(1,276)	392	(250)	(250)	(250)	(358)	(394)	(433)	93,665	160,354	206,015	234,980	246,987	
Net income	(6,233)	(1,348)	(4,114)	(4,171)	(5,377)	(1,812)	347	(618)	(2,452)	(4,535)	(1,772)	(2,576)	(3,818)	(4,071)	(12,237)	(29,668)	78,711	280,996	481,061	618,045	704,939	740,961	
EPS basic	(0.20)	(0.04)	(0.10)	(0.08)	(0.10)	(0.03)	0.01	(0.01)	(0.05)	(0.08)	(0.03)	(0.05)	(0.07)	(0.07)	(0.22)	(0.46)	1.16	3.94	6.42	7.86	8.53	8.54	
EPS diluted	(0.20)	(0.04)	(0.10)	(0.08)	(0.10)	(0.03)	0.01	(0.01)	(0.05)	(0.08)	(0.03)	(0.05)	(0.07)	(0.07)	(0.22)	(0.46)	0.96	3.29	5.41	6.67	7.30	7.35	
Basic shares outstanding	31,711	34,638	41,589	49,235	52,762	52,762	52,762	53,609	54,284	53,354	56,190	56,247	56,303	56,359	56,275	64,716	67,952	71,349	74,917	78,663	82,596	86,725	
Diluted shares outstanding	31,711	34,638	41,565	49,235	52,762	52,762	52,762	53,609	54,284	53,354	56,190	56,247	56,303	56,359	56,275	64,716	81,989	85,386	88,954	92,700	96,633	100,763	

Source: SEC filings, company press releases, and ROTH MKM

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Disclosures:

Shares of Oryzon Genomics SA may be subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.



Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 06/21/23	
			Count	Percent
Buy [B]	377	75.86	226	59.95
Neutral [N]	96	19.32	32	33.33
Sell [S]	3	0.60	0	0
Under Review [UR]	21	4.23	5	23.81

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.

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Neutral: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return between negative 10% and 10% over the next 12 months.

Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

Under Review [UR]: A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

Not Covered [NC]: ROTH MKM does not publish research or have an opinion about this security.

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