INVEST SECURITIES

BIOTECH

ORYZON GENOMICS

BUY

TARGET PRICE : 6,6€ +225%

NEWSFLOW

RESULTS FROM PORTICO IN BPD DUE OUT IN Q1 2024

At the ECNP (European College of Neuropsycho-Pharmacology) conference yesterday, Oryzon presented an update on the safety and tolerability results obtained to date from the Phase IIb PORTICO trial, which is evaluating the potential of vafidemstat in BPD (borderline personality disorder). The data collected so far is fairly positive, showing a good safety profile with few study discontinuations due to treatment-related adverse events. Following enrolment of the last patient in July 2023, efficacy results are now expected in Q1 2024 and are the main short-term catalyst for the company. We are making no change to our Buy recommendation with a TP of €6.6.

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Presentation at the ECNP congress: safety data looking positive

Present at the 36th ECNP (European College of Neuropsycho-Pharmacology) congress, held in Barcelona from 7 to 10 October, Oryzon yesterday presented updated safety results from its PORTICO Ph IIb trial evaluating vafidemstat in borderline personality disorder (BPD). The last patient in the study was recruited in July this year, and the data presented at the congress corresponds to the analysis carried out at the cut-off date of 23 August 2023. In September 2023, 210 patients had been randomised in the study and 131 patients initially planned had completed the protocol (n=150). Patient characteristics in terms of profile show that the PORTICO cohort is representative of the real population suffering from BPD, with the presence of comorbidities common in these patients and, above all, the authorisation of concomitant medications that are generally exclusive in other trials evaluating this disorder. The results show a fairly positive rate of treatment failure and discontinuation, lower than that observed in the most recent BPD trial with Brexpiprazole (36.6% vs. 62%). The product vafidemstat has been shown to be safe and well tolerated (see page 2), with a low number of discontinuations due to adverse events occurring during treatment (2%) and due to serious adverse events (0%). The results mention a single case of serious adverse reaction judged to be of severe stage, but this did not lead to a study withdrawal, the effects having been completely restored/resolved during the course of the study.

Efficacy results expected in Q1 2024

Following recruitment of the last patient in July 2023, the company expects to finalise the protocol by the end of this year, which should enable efficacy results to be published in Q1 2024. This is the main catalyst expected for the company in the short term.

PORTICO: Ph IIb randomised trial to assess efficacy

PORTICO is a worldwide (US and Europe) randomised, double-blind, placebo-controlled Phase IIb trial lasting for a period of 14 weeks. The aim is to evaluate the efficacy and safety of vafidemstat in a population of patients suffering from BPD, based on two main criteria: (i) reduction in agitation and aggression, and (ii) overall improvement in the severity of BPD. The results will be based on analysis of 150 patients who have completed the trial and been randomised into two arms in a ratio of 1:1 test vs. placebo.

Invest Securities and the issuer have signed an analysis services agreement.

in € / share	2023e	2024e	2025e
Adjusted EPS	0,48	0,15	0,17
chg.	*-15,6%*	*-69,0%*	*+14,4%*
estimates chg.	*-806%*	*-229%*	*n.s.*

au 31/12	2023e	2024e	2025e
PE	0,0x	0,0x	0,0x
EV/Sales	-0,2x	n.s.	n.s.
EV/Adjusted EBITD	-0,2x	-0,3x	0,1x
EV/Adjusted EBITA	-0,2x	-0,3x	0,1x
FCF yield*	-292,2%	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	n.s.

* After tax op. FCF before WCR

key points	
Closing share price 10/10/2023	2,0
Number of Shares (m)	58,6
Market cap. (€m)	119
Free float (€m)	97
ISIN	ES0167733015
Ticker	ORY-ES
DJ Sector	Health Technology

	1m	3m	Ytd
Absolute perf.	-1,0%	-1,2%	-18,1%
Relative perf.	+4,9%	+4,8%	-15,2%

Source : Factset, Invest Securities estimates

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Safety and tolerability data presented at the ECNP congress (cut off 23/08/23)

Variable	Overall (N=198) n (%)
Completed	117 (59.1%)
Discontinued*	41 (20.7%)
Discontinued Study	41 (20.7%)
Discontinued Treatment	39 (19.7%)
Reason Discontinued Study	
Withdrawal By Subject	13 (6.6%)
Lost To Follow-Up	10 (5.1%)
Protocol Deviation	7 (3.5%)
Adverse Event	3 (1.5%)
Physician Decision	3 (1.5%)
Blood Value During Randomization Visit Was Exclusionary	1 (0.5%)
Failure To Meet Randomization Criteria	1 (0.5%)
Lack Of Efficacy	1 (0.5%)
Non-Compliance With Study Drug	1 (0.5%)
Participant Decision Due To Covid-19	1 (0.5%)
Reason Discontinued Treatment	
Withdrawal By Subject	14 (7.1%)
Lost To Follow-Up	7 (3.5%)
Protocol Deviation	6 (3.0%)
Adverse Event	5 (2.5%)
Non-Compliance With Study Drug	2 (1.0%)
Elevated Gamma-Gt Levels During The Baseline Visit	1 (0.5%)
Lack Of Efficacy	1 (0.5%)
Low Neutrophil Count	1 (0.5%)
Participant Decision Due To Covid-19	1 (0.5%)
Physician Decision	1 (0.5%)

Reasons for treatment discontinuation and study withdrawal.

By 23 August 2023, 117 of the 198 patients recruited had completed the protocol. Of the 81 patients who did not complete the trial, around 21% stopped the trial and almost 20% did not continue treatment.

Adverse events associated with treatment.

At the time of analysis, 108 patients had experienced adverse events associated with the treatment, which led to four of them being withdrawn from the study, while 12 others stopped taking the drug. The majority of these events were mild, with only nine patients experiencing adverse events classified as severe, most of which were corrected/resolved.

Category	Overall (N=198) n (%), e
Treatment Emergent AEs (TEAEs)	**108 (54.5%), 339**
Treatment-Related TEAEs	**54 (27.3%), 136**
TEAEs Leading to Study Discontinuation	**4 (2.0%), 7**
TEAEs Leading to Study Drug Withdrawal	**6 (3.0%), 9**
TEAEs Leading to Study Drug Interruption	**6 (3.0%), 8**
TEAEs by Severity	**108 (54.5%), 339**
Mild	93 (47.0%), 242
Moderate	50 (25.3%), 85
Severe	9 (4.5%), 12
TEAEs by Outcome	**108 (54.5%), 339**
Recovered/Resolved	96 (48.5%), 276
Not Recovered/Not Resolved	30 (15.2%), 41
Recovering/Resolving	19 (9.6%), 21
Death	0 (0.0%), 0
Any TEAEs of Special Interest (AESI)	**8 (4.0%), 9**
Platelet count decreased	7 (3.5%), 7
Neutrophil count decreased	2 (1.0%), 2
COVID-19 TEAEs	**5 (2.5%), 5**

Category	Overall (N=198) n (%), e
Serious Treatment Emergent AEs (STEAEs)	1 (0.5%), 1
Treatment-Related STEAEs	0 (0.0%), 0
STEAEs Leading to Study Discontinuation	0 (0.0%), 0
STEAEs Leading to Study Drug Withdrawal	0 (0.0%), 0
STEAEs Leading to Study Drug Interruption	0 (0.0%), 0
STEAEs by Severity	1 (0.5%), 1
Severe	1 (0.5%), 1
Moderate	0 (0.0%), 0
Mild	0 (0.0%), 0
STEAEs by Outcome	1 (0.5%), 1
Recovered/Resolved	1 (0.5%), 1
Not Recovered/Not Resolved	0 (0.0%), 0
Death	0 (0.0%), 0
Unknown	0 (0.0%), 0
Recovering/Resolving	0 (0.0%), 0

Serious adverse events associated with treatment.

Only one case of a serious adverse event was reported, which was completely resolved during the study. The trial recorded only a small number of discontinuations due to TEAEs (2%) and no cases of discontinuation due to an adverse event considered serious (0%). Finally, a small percentage of TEAEs were of particular interest (4%), especially in terms of blood tests (reduction in the number of platelets and/or neutrophils).

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FINANCIAL DATA

Share information	2018	2019	2020	2021	2022	2023e	2024e	2025e
Published EPS (€)	-0,03	-0,08	-0,08	-0,14	0,57	0,48	0,15	0,17
Adjusted EPS (€)	**-0,03**	**-0,08**	**-0,08**	**-0,14**	**0,57**	**0,48**	**0,15**	**0,17**
Diff. I.S. vs Consensus	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*
Dividend	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00

Valuation ratios	2018	2019	2020	2021	2022	2023e	2024e	2025e
P/E	n.s.	n.s.	n.s.	n.s.	0,0x	0,0x	0,0x	0,0x
EV/Sales	n.s.	n.s.	n.s.	n.s.	0,16x	-0,16x	n.s.	n.s.
EV/Adjusted EBITDA	n.s.	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,3x	0,1x
EV/Adjusted EBITA	n.s.	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,3x	0,1x
Op. FCF bef. WCR yield	n.s.	n.s.	n.s.	n.s.	198,8%	-292,2%	n.s.	n.s.
Op. FCF yield	n.s.	n.s.	n.s.	n.s.	198,8%	-292,2%	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.

NB : valuation based on annual average price for past exercise

Entreprise Value (€m)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Share price in €	*0,0*	*2,6*	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*
Market cap.	0	128	39	39	39	39	39	39
Net Debt	-23	-27	-29	-15	-31	-43	-41	-40
Minorities	0	0	0	0	0	0	0	1
Provisions/ near-debt	0	0	0	0	0	0	0	0
+/- Adjustments	0	0	0	0	0	0	0	1
Entreprise Value (EV)	**-22**	**101**	**10**	**24**	**8**	**-4**	**-2**	**1**

Income statement (€m)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Sales	0,0	0,0	0,0	0,0	50,0	26,5	0,0	0,0
chg.	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*
Adjusted EBITDA	-3	-4	-4	-6	35	22	8	9
adjusted EBITA	**-3**	**-4**	**-4**	**-6**	**35**	**22**	**8**	**9**
chg.	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***-36,3%***	***-65,8%***	***+13,3%***
EBIT	-3,3	-3,8	-4,3	-6,8	34,1	21,5	7,0	8,0
Financial result	-1	-1	0	0	0	0	0	0
Corp. tax	3	1	1	1	-9	0	0	0
Minorities+affiliates	0	0	0	0	0	0	0	0
Net attributable profit	-1,2	-3,7	-3,4	-5,9	25,0	21,1	6,5	7,5
Adjusted net att. profit	**-1,2**	**-3,7**	**-3,4**	**-5,9**	**25,0**	**21,1**	**6,5**	**7,5**
chg.	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***-15,6%***	***-69,0%***	***+14,4%***

Cash flow statement (€m)	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	-3,1	-3,7	-4,1	-6,5	34,5	22,0	7,5	8,5
Theoretical Tax / EBITA	2,5	0,9	1,4	1,4	-8,7	0,0	0,0	0,0
Capex	-7,0	-9,6	-9,1	-9,5	-9,5	-9,5	-9,5	-9,5
Operating FCF bef. WCR	**-7,6**	**-12,4**	**-11,8**	**-14,6**	**16,3**	**12,5**	**-2,0**	**-1,0**
Change in WCR	0,3	0,3	-1,2	0,0	0,0	0,0	0,0	0,0
Operating FCF	**-7,3**	**-12,1**	**-13,1**	**-14,6**	**16,3**	**12,5**	**-2,0**	**-1,0**
Acquisitions/disposals	0,1	0,5	0,1	0,0	0,0	0,0	0,0	0,0
Capital increase/decrease	11,9	18,4	18,2	0,0	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	**4,7**	**6,7**	**5,3**	**-14,6**	**16,3**	**12,5**	**-2,0**	**-1,0**

Balance Sheet (€m)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Assets	32	42	52	61	70	79	88	97
Intangible assets/GW	29	40	49	58	68	77	86	95
WCR	-9	-8	-5	-5	-5	-5	-5	-5
Group equity capital	45	61	76	70	95	116	123	130
Minority shareholders	0	0	0	0	0	0	0	1
Provisions	0	0	0	0	0	0	0	0
Net financial debt	**-22,6**	**-26,7**	**-29,1**	**-14,5**	**-30,8**	**-43,3**	**-41,3**	**-40,3**

Financial ratios	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA margin	n.s.	n.s.	n.s.	n.s.	69,0%	83,1%	#DIV/0!	#DIV/0!
EBITA margin	n.s.	n.s.	n.s.	n.s.	69,0%	83,1%	#DIV/0!	#DIV/0!
Adjusted Net Profit/Sales	n.s.	n.s.	n.s.	n.s.	49,9%	79,6%	#DIV/0!	#DIV/0!
ROCE	n.s.	n.s.	n.s.	n.s.	53,0%	29,6%	9,0%	9,2%
ROE adjusted	n.s.	n.s.	n.s.	n.s.	26,3%	18,1%	5,3%	5,7%
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.	-0,9x	-2,0x	-5,5x	-4,7x

Source : company, Invest Securities Estimates

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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

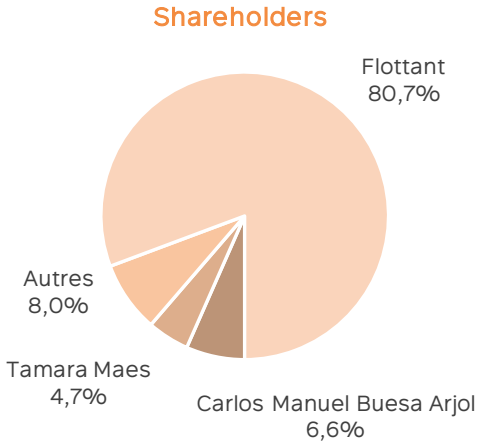
OPPORTUNITIES

- Potential partnership
- Extension of indications

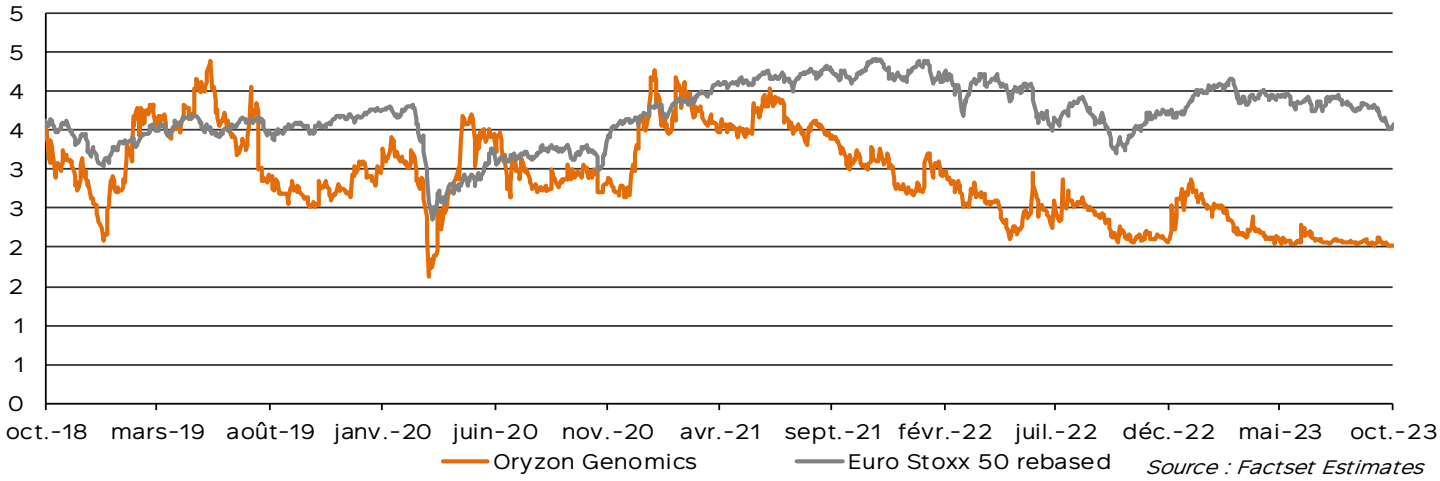
THREATS

- Clinical and regulatory risk
- Commercial risks
- Legal risks

ADDITIONAL INFOMATION



SHARE PRICE CHANGE FOR 5 YEARS



Source : Factset Estimates

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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

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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.

Société couverte	Analyste principal	Date de publication	Opinion	Objectif de Cours	Potentiel vs OC

DETECTION OF CONFLICTS OF INTEREST

	Oryzon Genomics
Invest Securities a été chef de file ou co-chef de file dans une offre publique concernant les instruments financiers de cet émetteur durant les douze derniers mois.	Non
Invest Securities a signé un contrat de liquidité avec l'émetteur.	Non
Invest Securities et l'émetteur ont signé une convention de prestation de service d'analyse.	Non
Invest Securities et l'émetteur ont signé une convention de Listing sponsor.	Non
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Le présent document a été communiqué à l'émetteur préalablement à sa publication. Cette relecture n'a pas conduit l'analyste à modifier son objectif de cours et sa recommandation boursière.	Non
Le présent document a été communiqué à l'émetteur pour relecture préalablement à sa publication. Cette relecture a conduit l'analyste à modifier son objectif de cours et sa recommandation boursière.	Non
L'analyste financier a des intérêts dans le capital de l'émetteur.	Non
L'analyste financier a acquis des titres de capital de l'émetteur avant l'opération d'offre publique.	Non
L'analyste financier perçoit une rémunération directement liée à l'opération ou à un service d'investissement fourni par Invest Securities.	Non
Un dirigeant d'Invest Securities est en situation de conflit d'intérêt avec l'émetteur et a eu accès à la recommandation avant son achèvement.	Non
Invest Securities ou le groupe All Invest détient ou contrôle 5 % ou plus du capital en actions émis par l'émetteur.	Non
Invest Securities ou le groupe All Invest détient, à titre temporaire, une position longue nette de plus de 0.5% du capital de l'émetteur.	Non
Invest Securities ou le groupe All Invest détient, à titre temporaire, une position courte nette de plus de 0.5% du capital de l'émetteur.	Non
L'émetteur détient ou contrôle 5 % ou plus du capital d'Invest Securities ou du groupe All Invest.	Non

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