

NEWSFLOW

A NEW STRING TO THE BOW OF VAFIDEMSTAT IN CNS

The company has announced the recruitment of the first patient in the EVOLUTION Ph IIb clinical trial assessing vafidemstat in patients suffering from schizophrenia. The trial concerns 100 patients with two main objectives consisting of evaluating (i) the effect of vafidemstat on the negative symptoms of schizophrenia, and (ii) the improvement in cognitive disorders associated with schizophrenia after six months of treatment. Through its mechanism of action, vafidemstat has significant potential in brain pathologies with a cognitive dimension. ORYZON is currently developing several programmes in a number of indications, and has so far collected a volume of data testifying to the safety of the product as well as positive trends to improve the state of health of patients with psychiatric disorders.

Jamila El Bougrini, PhD, MBA
+33 1 44 88 88 09
jelbougrini@invest-securities.com

Thibaut Voglimacci -
Stephanopoli
+33 1 44 88 77 95
tvoglimacci@invest-securities.com

Report completed on
17/11/2021 07:32

Report published on
17/11/2021 07:32

EVOLUTION, a new Ph IIb in schizophrenia

Oryzon Genomics has announced the recruitment of the first patient in the EVOLUTION Ph IIb clinical trial assessing vafidemstat in patients suffering from schizophrenia. The Ph IIb trial is multicentric, double blind, randomised, placebo-controlled and is set to last for 24 weeks. The objective is to assess the efficacy and safety of vafidemstat in adult patients suffering from schizophrenia with a stable anti-psychotic treatment. The trial has two main independent aims:

- To assess the effect of vafidemstat on the negative symptoms of schizophrenia,
- To assess the improvement in cognitive disorders associated with schizophrenia (CIAS). To meet this second objective, patients are to be treated for six months.

EVOLUTION includes several primary and secondary assessment criteria focused on the negative and positive symptoms as well as cognition. The rationale behind the approach is based on the ability of vafidemstat to inhibit LSD1, to reduce aggressiveness, improve sociability and ease social withdrawal, as shown by several pre-clinical models. The trial is to be undertaken over 6-10 sites in Spain and aims to include 100 patients in all, with 50 patients in each arm. An intermediary analysis is planned to adjust the final number of patients required for efficacy.

A robust track record for vafidemstat in CNS diseases

Note that vafidemstat is currently under assessment in several clinical trials in CNS diseases at the advanced stages of Ph IIb, especially borderline and schizophrenic behaviour disorders. Under the framework of these studies, the product shows a good safety and tolerance profile in more than 300 patients treated so far, with some of them under treatment for two years, thereby limiting risk on the studies recently initiated such as HOPE and EVOLUTION. Furthermore, the EVOLUTION trial concerns the clinical data obtained under the framework of the Ph IIa REIMAGINE trial which helped demonstrate that vafidemstat reduces agitation-aggressiveness in patients presenting attention deficit disorder with hyperactivity, a disorder on the autism spectrum and a borderline personality disorder, in addition to generally positive effects on psychiatric disorders after two months of treatment. Vafidemstat was not linked to sedation, weight gain or secondary extrapyramidal effects, which are common in current anti-psychotic treatments, or any undesirable side effect, which is an additional strength for vafidemstat.

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

in € / share	2021e	2022e	2023e
Adjusted EPS	-0,14	0,57	0,48
chg.	n.s.	n.s.	-15,6%
estimates chg.	+98%	-594%	n.s.

au 31/12	2021e	2022e	2023e
PE	n.s.	0,0x	0,0x
EV/Sales	n.s.	0,2x	-0,2x
EV/Adjusted EBITD	n.s.	0,2x	-0,2x
EV/Adjusted EBITA	n.s.	0,2x	-0,2x
FCF yield*	n.s.	198,8%	-292,2%
Div. yield (%)	n.s.	n.s.	n.s.

* After tax op. FCF before WCR

key points	
Closing share price	16/11/2021 3,2
Number of Shares (m)	53,1
Market cap. (€m)	168
Free float (€m)	135
ISIN	ES0167733015
Ticker	ORY-ES
DJ Sector	Health Technology

	1m	3m	Ytd
Absolute perf.	-1,3%	-12,9%	-9,7%
Relative perf.	-6,2%	-16,9%	-27,1%

Source : Factset, Invest Securities estimates

FINANCIAL DATA

Share information	2017	2018	2019	2020	2021e	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	2021e	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.

NB : valuation based on annual average price for past exercise

Entreprise Value (€m)	2017	2018	2019	2020	2021e	2022e	2023e	2024e
<i>Share price in €</i>	<i>4,6</i>	<i>0,0</i>	<i>2,9</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	140	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	113	10	24	8	-4	-31

Income statement (€m)	2017	2018	2019	2020	2021e	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	2021e	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	2021e	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	2021e	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

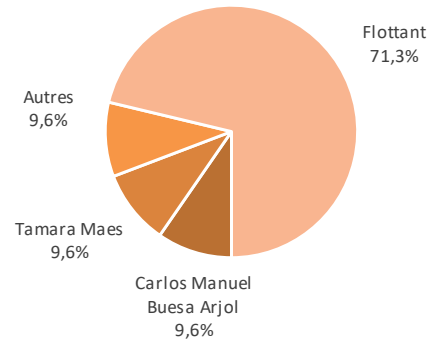
- Potential partnership
- Extension of indications

THREATS

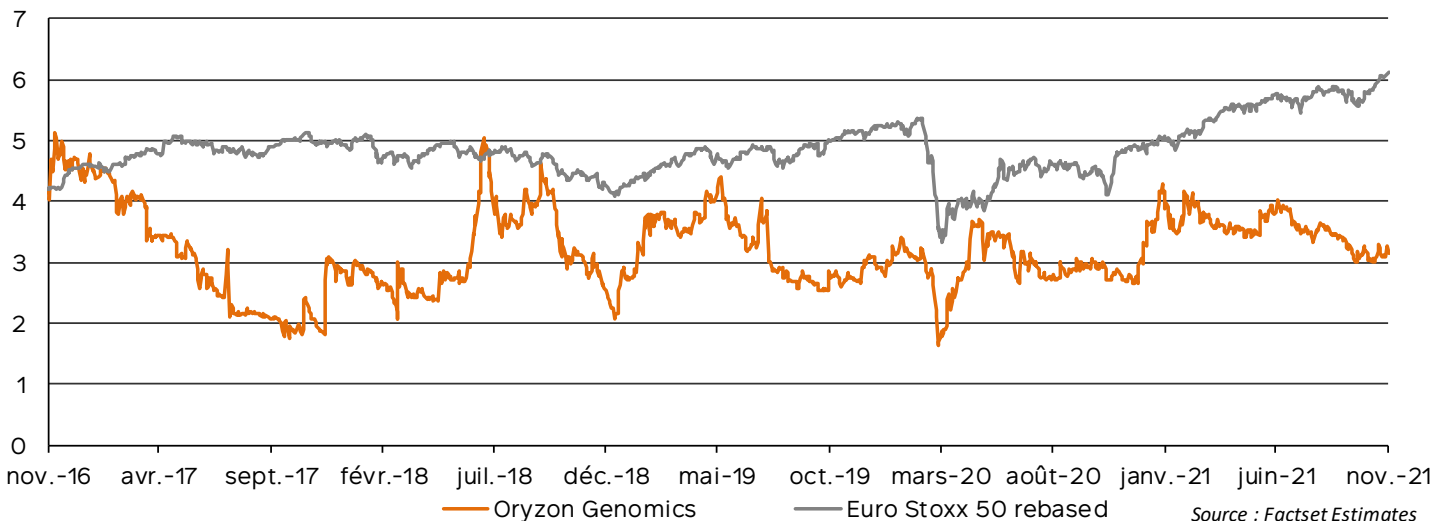
- Clinical and regulatory risk
- Commercial risks
- Legal risks

ADDITIONAL INFORMATION

Shareholders



SHARE PRICE CHANGE FOR 5 YEARS



DISCLAIMER

Invest Securities is authorized and supervised by the Prudential Control and Resolution Authority (ACPR) and regulated by the Financial Markets Authority (AMF).

This document does not constitute or form part of any offer or invitation to subscribe, buy or sell financial securities, or to participate in any other transaction.

While all reasonable care has been taken to ensure that the facts stated herein are accurate, Invest Securities has not verified the contents hereof and accordingly none of Invest Securities, shall be in any way responsible for the contents hereof and no reliance should be placed on the accuracy, fairness, or completeness of the information contained in this document.

The opinions, forecasts and estimates contained in this document are those of their authors only. The assessments made reflect their opinion on the date of publication and are therefore subject to change or invalidation at any time, without notice. Invest Securities has no obligation to update, modify or amend this document or to inform in any way the recipient of this document in the event that a fact, opinion, forecast or estimate contained in this document, changes or becomes inaccurate.

The investments mentioned in this document may not be suitable for all of its recipients. The recipients of the document are invited to base their investment decisions on the appropriate procedures they deem necessary. It is recalled that past performances do not prejudice future performances. Investing in the markets presents a risk of capital loss. Any loss or other consequence arising from the use of the information contained in the document is the sole responsibility of the investor. Neither Invest Securities nor any other person can be held responsible in any way for any direct or indirect damage resulting from the use of this document. If in doubt about any investment, recipients should contact their own investment, legal and / or tax advisers for advice regarding the advisability of investing.

Research reports including their preparation and distribution are subject to the provisions of market abuse regulation (EU) n°2014/596 and delegated regulation (EU) n°2016/958 on the technical modalities for the objective presentation of recommendations. This document is intended only for professional investors who meet the criteria set out in Annex II of Directive 2014/65/EU, or “qualified investors” within the meaning of the prospectus regulation (eu) 2017/1129.

This document is provided to you on a confidential basis for your information and may not be reproduced or transmitted, in whole or in part, to any other person or published.

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.

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
Invest Securities a été rémunérée par cet émetteur en échange de la fourniture d'autres services d'investissement au cours des douze derniers mois (RTO, Exécution pour compte tiers, conseil, placement, prise ferme).	Non
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

La politique de gestion des conflits d'intérêts d'Invest Securities est accessible sur le site d'Invest Securities dans la rubrique Règlementation. 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.

MANAGEMENT

Marc-Antoine Guillen
CEO

+33 1 44 88 77 80
maguillen@invest-securities.com

Jean-Emmanuel Vernay
Managing Director

+33 1 44 88 77 82
jevernay@invest-securities.com

Anne Bellavoine
Deputy Managing Director

+33 1 55 35 55 75
abellavoine@invest-securities.com

Pascal Hadjedj
Deputy Managing Director and
Head of Primary Market Sales

+33 1 55 35 55 61
phadjedj@invest-securities.com

EQUITY RESEARCH

Maxime Dubreil
Head of Equity Research

+33 1 44 88 77 98
mdubreil@invest-securities.com

Matthieu Lavillunière, CFA
Deputy Head

+33 1 73 73 90 34
mlavilluniere@invest-securities.com

Stéphane Afonso
Real Estate

+33 1 73 73 90 25
safonso@invest-securities.com

Bruno Duclos
Real Estate

+33 1 73 73 90 25
bduclos@invest-securities.com

Jamila El Bougrini, PhD, MBA
Biotech/Healthtech

+33 1 44 88 88 09
jelbougrini@invest-securities.com

Benoît Faure-Jarrosion
Real Estate

+33 1 73 73 90 25
bfaure-jarrosion@invest-securities.com

Christian Guyot
Consumer Goods

+33 1 80 97 22 01
cguyot@invest-securities.com

Ludovic Martin, CFA
Consumer Goods

+33 1 73 73 90 36
lmartin@invest-securities.com

Jean-Louis Sempé
Automotive

+33 1 73 73 90 35
jlsempé@invest-securities.com

Thibaut Voglimacci
Medtechs / Biotech

+33 1 44 88 77 95
tvoglimacci@invest-securities.com

TRADING FLOOR

François Habrias
Institutional Sales

+33 1 55 35 55 70
fhabras@invest-securities.com

Dominique Humbert
Sales trading

+33 1 55 35 55 64
dhumbert@invest-securities.com

Bertrand Le Mollé-Montanguon
Institutional Sales

+33 1 55 35 55 74
blmm@invest-securities.com

Ralph Olmos
Institutional Sales

+33 1 55 35 55 72
rolmos@invest-securities.com

Kaspar Stuart
Institutional Sales

+33 1 55 35 55 65
kstuart@invest-securities.com

Frédéric Vals
Institutional Sales

+33 1 55 35 55 71
fvals@invest-securities.com

CORPORATE BROKING & ISSUER MARKETING

Thierry Roussilhe
Head of CB & Issuer Marketing

+33 1 55 35 55 66
troussilhe@invest-securities.com

Fabien Huet
Liquidity

+33 1 55 35 55 60
fhuet@invest-securities.com