

NEWSFLOW + ANNUAL MEETING, JUNE 28

AMBITIOUS REFINANCING PLAN IN PREPARATION

Yesterday, the group announced it had been selected to be among 24 European companies that will form the Med4Cure consortium. This is a vast European program that will benefit from €1bn in public funding, which can be supplemented by an additional €5.9bn in private financing. This ambitious project aims to improve the quality of healthcare in the EU. Additionally, to advance its proprietary programs, Oryzon is considering a €100m capital increase, the terms of which should be voted on at the General Assembly on June 28. Feedback from the FDA after the meeting scheduled this summer regarding the trial in BPD will be crucial for the success of such a capital increase. Recall that the company has signed a CB financing agreement with Nice & Green for a maximum amount of \$45m. Buy opinion maintained, and OC of €4.8 unchanged.

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Oryzon selected to join a major european project: up to €6.9bn dedicated

The company announced yesterday that it had been selected to participate in the Med4Cure project, which aims to accelerate medical advancements and strengthen the resilience of the EU healthcare industry through two main levers:

- (i) improving drug discovery, particularly for unmet medical needs such as rare diseases,
- (ii) and developing innovative and more sustainable production processes for pharmaceuticals.

These developments will improve the quality of healthcare and allow the EU to be better prepared for new health threats while contributing to the ecological transition. Med4Cure is supported by six EU countries: Belgium, France, Hungary, Italy, Slovakia, and Spain. This is a macro project deploying 14 scientific projects to be developed by 13 companies as Direct Partners and 11 as Associate Partners. Oryzon has been selected to participate in the Consortium as an Associate Partner. Its role will be to validate epigenetic agents by applying a personalized medicine approach for rare and orphan diseases as part of the VANDAM project, which aims to validate experimental epigenetic drugs using a personalized medicine approach for rare and orphan diseases. The breakdown of the overall budget by country, projects, and actors will be communicated upon the official announcement of the Commission's decision when confidentiality is lifted.

Preparation of a €100m capital increase: on the agenda of the next Annual Meeting

On May 27, Oryzon made available the agenda of resolutions to be submitted to the vote at the General Assembly to be held on June 28. Among them is Resolution No. 5, which concerns the project of a capital increase without preferential subscription rights, which could reach €100m. The date and price of the offer will be decided by the Board of Directors if the resolution is adopted. However, it is indicated that the price will necessarily be higher than €1.6997 and that the share capital will be increased by a maximum nominal amount of €2,941,695.55 by issuing and circulating up to a maximum of 58,833,911 new shares (nominal value of the share is €0.05). Feedback from the FDA after the meeting scheduled this summer regarding the trial in BPD (see our Flash edited on 01/09/24) will be crucial for the success of such a capital increase.

In November 2023, a financing agreement by CB was signed with Nice & Green for a maximum amount of \$45m, several tranches of which have already been drawn to date.

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

in € / share	2024e	2025e	2026e
Adjusted EPS	0,27	0,29	0,41
chg.	+36,1%	+6,6%	+42,7%
estimates chg.	+36%	+6%	+15%
au 31/12	2024e	2025e	2026e
PE	7,1x	6,7x	4,7x
EV/Sales	n.s.	n.s.	30,0x
EV/Adjusted EBITD	n.s.	61,3x	12,6x
EV/Adjusted EBITA	n.s.	61,3x	12,6x
FCF yield*	n.s.	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	non créé

* After tax op. FCF before WCR

key points			
Closing share price	29/05/2024		1,9
Number of Shares (m)			63,0
Market cap. (€m)			120
Free float (€m)			98
ISIN			ESO167733015
Ticker			ORY-ES
DJ Sector			Health Technology
	1m	3m	Ytd
Absolute perf.	-4,4%	+3,1%	+1,3%
Relative perf.	-6,7%	-2,9%	-5,7%

Source : Factset, Invest Securities estimates

FINANCIAL DATA

Share information	2019	2020	2021	2022	2023	2024e	2025e	2026e
Published EPS (€)	-0,08	0,14	0,13	0,22	0,20	0,27	0,29	0,41
Adjusted EPS (€)	-0,08	0,14	0,13	0,22	0,20	0,27	0,29	0,41
<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	1,00	2,00

Valuation ratios	2019	2020	2021	2022	2023	2024e	2025e	2026e
P/E	n.s.	20,4x	27,1x	11,1x	11,1x	7,1x	6,7x	4,7x
EV/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	30,02x
EV/Adjusted EBITDA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	61,3x	12,6x
EV/Adjusted EBITA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	61,3x	12,6x
Op. FCF bef. WCR yield	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Op. FCF yield	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	#DIV/0!

NB : valuation based on annual average price for past exercise

Entreprise Value (€m)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Share price in €	3,0	2,9	3,5	2,5	2,2	1,9	1,9	1,9
Market cap.	141	139	159	124	114	120	104	104
Net Debt	-27	-29	-13	7	-1	-2	-2	8
Minorities	0	0	0	0	0	0	1	2
Provisions/ near-debt	0	0	0	0	0	0	0	0
+/- Adjustments	0	0	0	0	0	0	1	2
Entreprise Value (EV)	114	110	146	131	113	118	105	117

Income statement (€m)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	0,0	0,0	0,0	0,0	0,0	0,0	0,0	3,9
<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	-5	-8	-6	-5	-2	2	9
adjusted EBITA	-4	-5	-8	-6	-5	-2	2	9
<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>	+441,3%
EBIT	-3,8	-5,3	-8,0	-5,9	-5,0	-2,0	1,7	9,2
Financial result	-1	13	15	18	17	19	20	22
Corp. tax	1	0	0	0	0	0	0	0
Minorities+affiliates	0	0	0	0	0	0	0	0
Net attributable profit	-3,7	7,6	6,9	12,5	12,1	16,7	22,1	31,6
Adjusted net att. profit	-3,7	7,6	6,9	12,5	12,1	16,7	22,1	31,6
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	-10,0%	+81,6%	-3,0%	+38,2%	+32,4%	+42,7%

Cash flow statement (€m)	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	-3,7	-5,3	-8,0	-5,9	-5,0	-2,0	1,7	9,2
Theoretical Tax / EBITA	0,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Capex	-9,6	-9,1	-12,2	-17,0	-15,8	-17,4	-19,1	-21,0
Operating FCF bef. WCR	-12,4	-14,4	-20,2	-22,9	-20,8	-19,3	-17,4	-11,8
Change in WCR	0,3	-1,2	0,0	0,0	0,0	0,0	0,0	0,0
Operating FCF	-12,1	-15,6	-20,2	-22,9	-20,8	-19,3	-17,4	-11,8
Acquisitions/disposals	0,5	0,1	0,0	0,0	0,0	0,0	0,0	0,0
Capital increase/decrease	18,4	18,2	0,0	0,0	10,0	19,0	15,0	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	6,7	2,7	-20,2	-22,9	-10,8	-0,3	-2,4	-11,8

Balance Sheet (€m)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Assets	42	52	64	81	97	114	133	154
Intangible assets/GW	40	49	61	78	94	112	131	152
WCR	-8	-5	-5	-5	-5	-5	-5	-5
Group equity capital	61	76	71	66	72	91	109	119
Minority shareholders	0	0	0	0	0	0	1	2
Provisions	0	0	0	0	0	0	0	0
Net financial debt	-26,7	-29,1	-12,8	6,6	-0,6	-2,1	-1,6	8,3

Financial ratios	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA margin	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	238,0%
EBITA margin	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	238,0%
Adjusted Net Profit/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	812,5%
ROCE	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	1,3%	6,2%
ROE adjusted	n.s.	10,0%	9,7%	18,9%	16,7%	18,4%	20,3%	26,5%
Gearing	n.s.	n.s.	n.s.	10,0%	n.s.	n.s.	n.s.	7,0%
ND/EBITDA (in x)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	-0,9x	0,9x

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

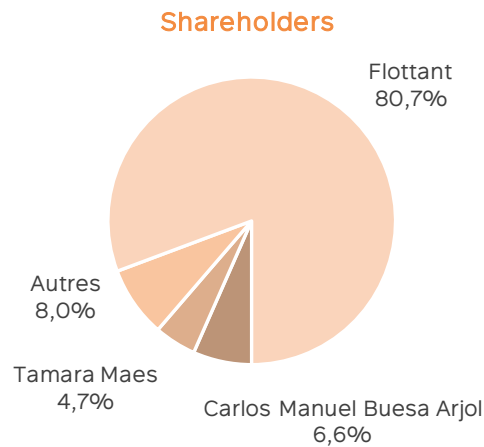
OPPORTUNITIES

- Potential partnership
- Extension of indications

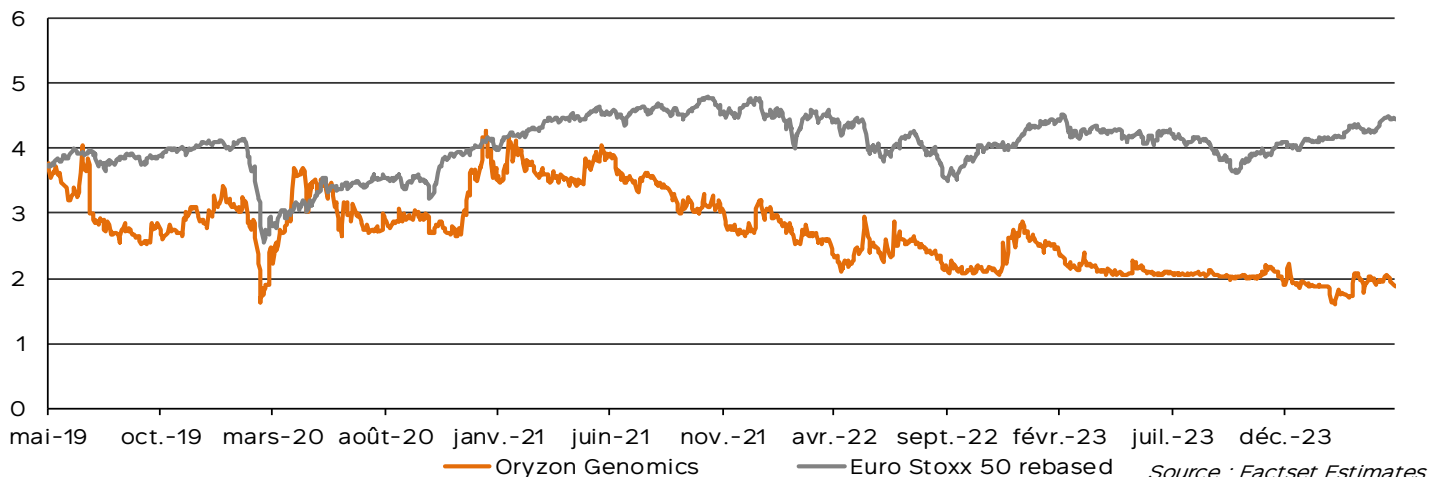
THREATS

- 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)
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- 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
Oryzon Genomics	Jamila El Bougrini	27-févr.-24	ACHAT	4,8	+156%

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

Invest Securities's conflict of interest management policy is available on the Invest Securities website in the Compliance section. A list of all recommendations released over 12 months as well as the quarterly publication of "BUY, SELL, NEUTRAL, OTHERS" over 12 months, are available on the Invest Securities research platform.

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