

H1 2024 FINANCIAL RESULTS

€10.8M AVAILABLE AT END H1, VISIBILITY TO 2025

The publication of H1 24 results reveals no surprises. As expected, the accounts show a slowdown in R&D expenditure in line with our expectations, given the completion of the main PORTICO clinical trial in the field of BPD (borderline personality disorder). With an estimated cash burn of around €15m over 2024, the cash position of \$10.1m at the end of H1 24 confirms the pace of consumption and the financial horizon beyond 2024, thanks to the available Nice & Green CBs line (around €30m residual capacity to date). The company expects to raise a substantial amount of funds in Q4 24, around key catalysts: the presentation of PORTICO's final data at the end of September at the ECNP congress, and the conclusions of the EOP2 meeting with the FDA expected at the end of the year. We maintain our Buy rating and an TP of €4.8.

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

Document completed on
02/08/2024 07:03

Document completed on
02/08/2024 07:03

R&D costs slow down: ISe forecasts \$15m cash burn by 2024

After the market opened on Wednesday, the company published its half-year results, which came as no surprise. The company is not generating sales, given its R&D-focused BM. Operating expenses amounted to \$7.012m in H1 24 vs. \$10.951m in H1 23, in line with our estimates of a slowdown in R&D vs. 2023 given the discontinuation of the PORTICO trial: R&D expenses of \$4.935m vs. \$8.633m. EBITDA was -\$7.012m in H1 24 vs. -\$10.951m in H1 23, and net result was -\$1.114m in H1 24 vs. -\$617k in H1 23, due to other income (\$4.438m in H1 24 vs. \$8.266m in H1 23) mainly from the recognition of R&D project progress, and positive financial income in both periods (\$1.460m vs. \$2.068m).

Cash position of \$10.8m at June 30, visibility secured until 2025 via CBs

Cash and cash equivalents stood at \$10.8m at June 30, 2024, compared with \$13.5m at the end of 2023. This strengthening was made possible by the drawdown of CBs tranches under the €45m contract put in place in November 2023 with Nice & Green. To date, Oryzon Genomics has drawn nearly €15m on the CBs line, with full utilization of the facility expected to extend its financial horizon to 2025. We anticipate a cash burn for 2024 of around \$15m, compared with \$20.8m for 2023. On the basis of estimated operating expenses of the order of \$15m in 2024, and anticipating an acceleration from 2025 for the continuation of the R&D plan at advanced clinical stages (probable pivotal Ph III in BPD), we estimate that current cash resources should carry us through to the end of 2025/beginning of 2026 (including the remainder of the CBs financing line).

Selection to join Med4Cure on a European scale: validation of the science

Availability is set to increase in short term, as the company has been selected as one of 24 European companies to form the Med4Cure consortium within the framework of the Important Project of Common European Interest (PIIEC) dedicated to the pharmaceutical sector. This vast European program will benefit from public funding of €1 billion, which can be supplemented by a further €5.9 billion in private funding. The aim of this ambitious project is to improve the quality of healthcare in the EU. Med4Cure is supported by 6 EU countries: Belgium, France, Hungary, Italy, Slovakia and Spain. It is a macro-project deploying 14 scientific projects to be developed by a total of 24 companies: 13 as Direct Partners and 11 as Associate Partners. Oryzon Genomics has been selected to join the Consortium as an Associate Partner. Its role will be to validate

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

in € / share	2024e	2025e	2026e
Adjusted EPS	-0,03	-0,03	0,02
chg.	n.s.	n.s.	n.s.
estimates chq.	-115%	-112%	-95%
au 31/12	2024e	2025e	2026e
PE	n.s.	n.s.	96,9x
EV/Sales	n.s.	n.s.	16,5x
EV/Adjusted EBITD	n.s.	n.s.	157,9x
EV/Adjusted EBITA	n.s.	n.s.	157,9x
FCF yield*	n.s.	n.s.	4,9%
Div. yield (%)	n.s.	n.s.	n.s.

* After tax op. FCF before WCR

key points	1m	3m	Ytd
Closing share price	01/08/2024		1,8
Number of Shares (m)			64,0
Market cap. (€m)			116
Free float (€m)			95
ISIN			ESO167733015
Ticker			ORY-ES
DJ Sector			Health Technology
Absolute perf.	+0,4%	-7,8%	-4,2%
Relative perf.	-0,0%	-2,5%	-2,6%

Source : Factset, Invest Securities estimates

epigenetic agents using a personalized medicine approach for rare and orphan diseases as part of the VANDAM project, the aim of which is to validate epigenetic experimental drugs using a personalized medicine approach for rare and orphan diseases. Although the funds to be received under this project are allocated strictly to the advancement of the program supported by the consortium, the receipt of the portion due to Oryzon Genomics should help extend the company's financial horizon. The breakdown decided by the Spanish government has not yet been made public, but given Oryzon Genomics' participation as an Associate Partner, we estimate that the company should receive between €20 and €30m in public subsidies.

100m€ financing in preparation: year-end window thanks to catalysts?

At the last AGM held on June 28, the resolutions relating to a proposed €100m AK without PSR (preferential subscription right) were passed. The date and price of the offer will be decided by the Board of Directors closer to the launch of the operation (estimated for Q4 24). 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 through the issue and placement of up to 58,833,911 new shares (nominal value per share of €0.05). The FDA's feedback after the meeting scheduled for this summer on the BPD trial (see Flash of 09/01/24) should be decisive for the success of such an AK, which further strengthens expectations around the PORTICO program, which we believe is currently the most value-bearing project for Oryzon Genomics.

Next key catalyst: meeting with FDA to discuss PORTICO trial

The key catalyst expected in short term is the publication of final efficacy results from the PORTICO Ph IIb trial, which aims to evaluate the efficacy of vafidemstat in the treatment of borderline personality disorder. These data will be detailed in an oral presentation at the ECNP (European College of Neuropsychopharmacology) congress on September 21-23, 2024. Following this oral presentation at ECNP, the results are expected to be published in a peer-reviewed medical journal.

On the regulatory front, Oryzon Genomics has confirmed that it has obtained FDA approval for its request for an end-of-phase 2 (EOP2) meeting to discuss the design of a potential pivotal Phase III trial based on the results obtained in Phase IIb. As a reminder, the results were mixed, since the 2 primary endpoints were not met with statistical significance. However, 2 key secondary endpoints were statistically significant, and all 11 parameters assessed showed a positive trend in favor of vafidemstat. Given the strong medical need for vafidemstat in this indication, but also in other neuronal pathologies with cognitive impairment, where vafidemstat and its mechanism of action could be of benefit, the FDA may grant approval to initiate a Ph III trial on the endpoints that emerged positive in Ph IIb in BPD. The conclusions of this summer's meeting with the FDA should be communicated probably by the end of the year. Should the FDA give us positive feedback, this could create a favorable momentum for the launch of the AK in preparation, as mentioned above. As the company favors the option of a Ph III trial co-developed with an industrial partner, positive feedback from the FDA could also trigger positioning by a potential partner. The market for neurological pathologies remains highly attractive, particularly for the treatment of symptoms common to various pathologies. The cost of a Ph III trial of the scale envisaged by Oryzon Genomics (probably between 300 and 500 patients over a 12-week treatment period identical to PORTICO) could represent between €40m and €45m over a 3-year period.

FINANCIAL DATA

Share information	2019	2020	2021	2022	2023	2024e	2025e	2026e
Published EPS (€)	-0,05	-0,04	-0,06	-0,05	-0,04	-0,03	-0,03	0,02
Adjusted EPS (€)	-0,05	-0,04	-0,06	-0,05	-0,04	-0,03	-0,03	0,02
<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.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	96,9x
EV/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	16,48x
EV/Adjusted EBITDA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	157,9x
EV/Adjusted EBITA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	157,9x
Op. FCF bef. WCR yield	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	4,9%
Op. FCF yield	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	4,9%
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)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Share price in €	3,0	2,9	3,5	2,5	2,2	1,8	1,8	1,8
Market cap.	141	139	159	124	114	116	101	101
Net Debt	-27	-29	-27	-23	-1	-20	-36	-41
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	131	102	113	96	67	64

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	-4	-7	-5	-4	-4	-3	0
adjusted EBITA	-4	-4	-7	-5	-4	-4	-3	0
<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>
EBIT	-3,8	-4,3	-7,0	-5,5	-4,5	-4,0	-3,6	0,3
Financial result	-1	0	0	-1	-2	-2	-2	-2
Corp. tax	1	1	2	2	3	3	3	3
Minorities+affiliates	0	0	0	0	0	0	0	0
Net attributable profit	-3,7	-3,4	-4,7	-4,2	-3,4	-2,8	-2,4	1,4
Adjusted net att. profit	-3,7	-3,4	-4,7	-4,2	-3,4	-2,8	-2,4	1,4
<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>

Cash flow statement (€m)	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	-3,7	-4,1	-6,9	-5,3	-4,4	-3,9	-3,5	0,4
Theoretical Tax / EBITA	0,9	1,4	2,5	2,3	2,8	2,8	2,8	2,8
Capex	-9,6	-9,1	0,0	0,0	0,0	0,0	0,0	0,0
Operating FCF bef. WCR	-12,4	-11,8	-4,4	-3,0	-1,6	-1,1	-0,7	3,2
Change in WCR	0,3	-1,2	0,0	0,0	0,0	0,0	0,0	0,0
Operating FCF	-12,1	-13,1	-4,4	-3,0	-1,6	-1,1	-0,7	3,2
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	5,3	-4,4	-3,0	8,4	17,9	14,3	3,2

Balance Sheet (€m)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Assets	42	52	62	78	92	102	116	134
Intangible assets/GW	40	49	60	75	89	99	114	131
WCR	-8	-5	-5	-5	-5	-5	-5	-5
Group equity capital	61	76	71	67	74	90	102	104
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	-27,5	-22,5	-0,6	-20,1	-36,0	-40,7

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.	10,4%
EBITA margin	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	10,4%
Adjusted Net Profit/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	37,2%
ROCE	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	0,3%
ROE adjusted	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	1,4%
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.	n.s.	n.s.	-100,4x

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

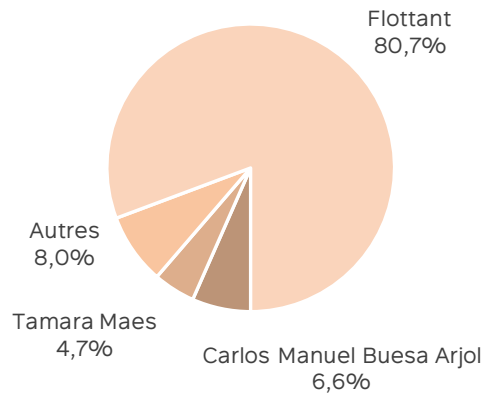
- Potential partnership
- Extension of indications

THREATS

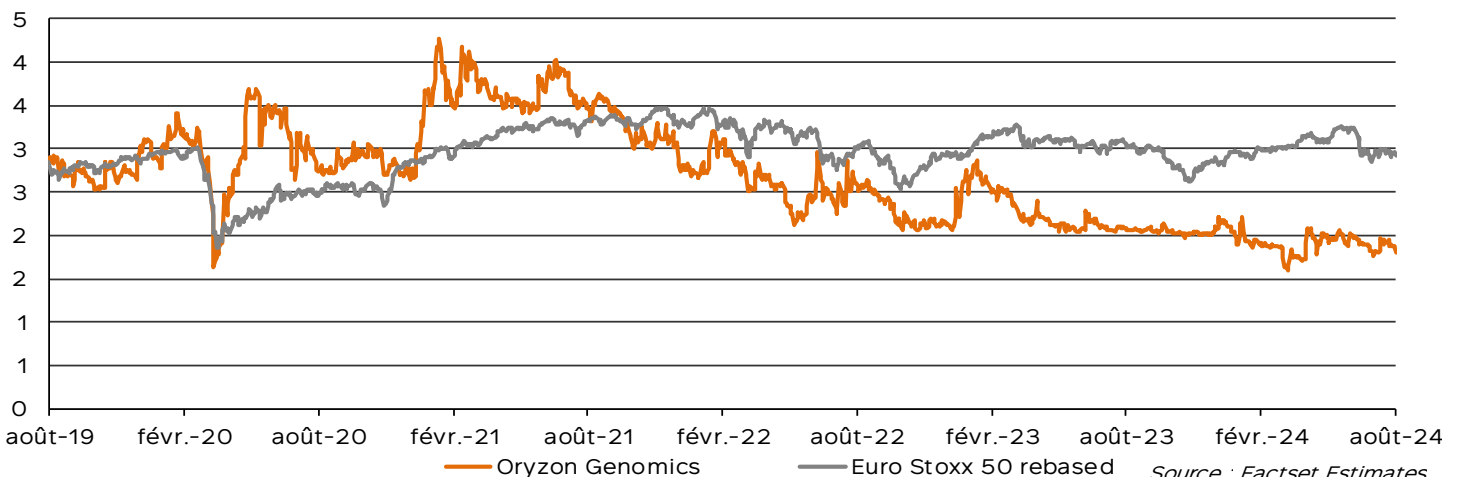
- Clinical and regulatory risk
- Commercial risks
- Legal risks

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.

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.

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

Stéphane Afonso
Financial analyst, Real Estate

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

Bruno Duclos
Financial analyst, Real Estate

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

Jamila El Bougrini
Financial analyst,
Biotech/Healthtech

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

Benoît Faure-Jarrosson
Senior Advisor, Real Estate

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

Claire Meilland
Financial analyst, CleanTech

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

Jean-Louis Sempé
Financial analyst, Automotive

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

Thibaut Voglimacci-Stephanopoli
Financial analyst,
Medtechs / Biotech

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

TRADING FLOOR

Raphael Jeannet
Institutional Sales

+33 1 55 35 55 62
rjeannet@invest-securities.com

Edouard Lucas
Institutional Sales

+33 1 55 35 55 74
elucas@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