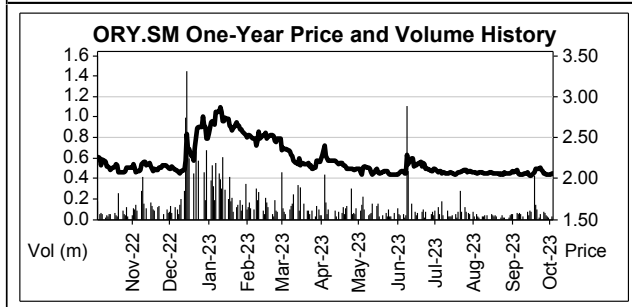


Healthcare: Biotechnology
Company Update
Oryzon Genomics SA | ORY.SM - €2.06 - MADRID | Buy

Stock Data			
52-Week Low - High	€1.98 - €2.93		
Shares Out. (mil)	58.58		
Mkt. Cap.(mil)	€120.39		
3-Mo. Avg. Vol.	59,835		
12-Mo.Price Target	€15.00		
Cash (mil)	\$14.6		
Tot. Debt (mil)	€20.1		
Rev (\$M)			
Yr Dec	—2022—	—2023E—	—2024E—
		Curr	Curr
1Q	0.0A	0.0A	-
2Q	0.0A	0.0A	-
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	0.02A	-
3Q	(0.01)A	(0.06)E	-
4Q	(0.05)A	(0.06)E	-
YEAR	(0.08)A	(0.13)E	(0.38)E
P/E	NM	NM	NM



ORY: Wins Two Grants Of Up To €1.4M To Study Epigenetics In Neuronal Pathology

ORY received two grants valued at up to €1.4M related to Spain's DICTIONIS Project and MODERN Project. These projects actually began in early 2Q23 and will last for two years. The grant-funded programs complement ORY's vafidemstat program, which consists of Phase 2b trials in borderline personality disorder (BPD) and schizophrenia.

- ORY received two grants valued at up to €1.4M related to Spain's DICTIONIS Project and MODERN Project. The DICTIONIS Project is in collaboration with Fundació Centre de Regulació Genomica from Barcelona and focuses on the diagnosis of chromatinopathies by detecting alterations in histone modifications. The MODERN Project is in collaboration with the Universitat Autònoma de Barcelona, the Fundació de Institut d'Investigació Biomèdica de Bellvitge (IDIBELL) and LEiTAT and focuses on high-throughput technologies to discover and validate new epigenetic targets and inhibitors for neuronal pathologies. These projects actually began in early 2Q23 and will last for two years.
- The grant-funded programs complement ORY's vafidemstat program, which consists of Phase 2b trials in borderline personality disorder (BPD) and schizophrenia. Regarding the PORTICO trial in BPD, active patient recruitment is ongoing at 15-20 centers in the U.S. and Europe, allowing for preliminary results in late 2023/early 2024. Recent preliminary blinded aggregate safety data (data cutoff of May 23, 2023 involving data from 167 BPD patients) was reviewed by the trial's independent Data Monitoring Committee (DMC) on June 26. The DMC characterized the aggregate safety results as positive and recommended that the PORTICO trial continue as planned to its ultimate enrollment of 188 patients. Regarding the EVOLUTION trial in schizophrenia, it continues to enroll patients in Spain and is looking to establish vafidemstat efficacy on negative symptoms and cognitive impairment in patients with schizophrenia. EVOLUTION is partially funded by the Spanish Ministry of Science. ORY is also working with KOLs to finalize the design of HOPE, a randomized, double-blind, placebo-controlled, 50-60 patient Phase 1/2 personalized medicine trial with vafidemstat in Kabuki Syndrome patients. ORY is talking to regulatory agencies to refine the final design of HOPE, and should be filing an IND in 2023 in the U.S. and possibly filing to start enrolling in Europe as well.

ORY Intraday Price: €2.02 at 9:48AM ET

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 \$992 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 (ISIN Code: ES0167733015) is a clinical stage biopharmaceutical company and the European leader in epigenetics, with a strong focus on personalized medicine in CNS disorders and oncology. Oryzon's team is composed of highly qualified professionals from the pharma industry located in Barcelona, Boston, NYC and San Diego. Oryzon has an advanced clinical portfolio with two LSD1 inhibitors, vafidemstat in CNS and iadademstat in oncology, in several Phase II clinical trials. The company has 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

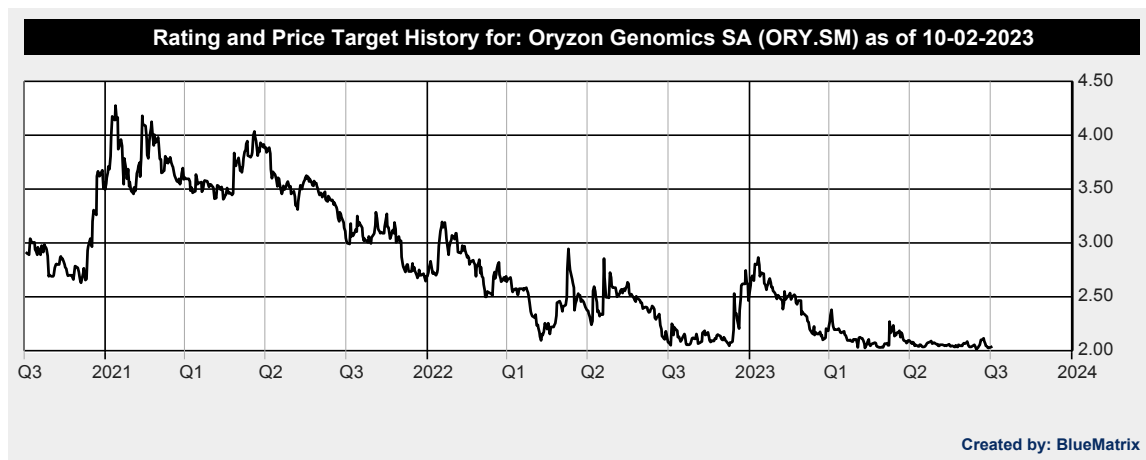
Oryzon Genomics SA																						Jonathan Aschoff, Ph.D. (646) 616-2795	
Income Statement																						jaschoff@roth.com	
Fiscal Year ends December																							
(in 000, except per share items)																							
	2017A	2018A	2019A	2020A	2021A	1Q22	2Q22	3Q22	4Q22	2022A	1Q23A	2Q23A	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																							
R&D	6,363	8,489	12,647	13,591	15,118	4,228	4,166	4,274	5,033	17,701	4,372	4,264	4,477	4,701	17,814	21,377	25,653	28,218	29,629	29,925	30,224	30,526	
G&A	4,502	2,993	3,176	3,484	5,529	1,343	1,520	659	1,249	4,771	1,223	1,096	1,107	1,118	4,544	6,816	12,269	18,403	20,243	22,268	23,381	24,550	
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	5,360	5,584	5,819	22,358	28,193	43,341	63,687	84,813	101,183	113,211	119,680	
Operating income	(10,845)	(11,482)	(15,823)	(17,075)	(20,647)	(5,571)	(5,686)	(4,933)	(6,282)	(22,472)	(5,595)	(5,360)	(5,584)	(5,819)	(22,358)	(28,193)	80,899	378,001	645,006	827,857	943,836	991,991	
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	4,054	2,000	2,000	12,269								
Net income (pretax)	(5,186)	(3,339)	(4,301)	(5,269)	(8,137)	(1,745)	(1,792)	(685)	(1,589)	(5,811)	(1,380)	(1,306)	(3,584)	(3,819)	(10,089)	(28,193)	80,899	378,001	645,006	827,857	943,836	991,991	
Net financial & tax	1,047	(1,991)	(187)	(1,098)	(2,760)	67	(2,139)	(67)	863	(1,276)	392	(2,459)	(250)	(250)	(2,567)	(2,824)	(3,106)	94,500	161,251	206,964	235,959	247,998	
Net income	(6,233)	(1,348)	(4,114)	(4,171)	(5,377)	(1,812)	347	(618)	(2,452)	(4,535)	(1,772)	1,153	(3,334)	(3,569)	(7,522)	(25,369)	84,005	283,501	483,754	620,893	707,877	743,994	
EPS basic	(0.20)	(0.04)	(0.10)	(0.08)	(0.10)	(0.03)	0.01	(0.01)	(0.05)	(0.08)	(0.03)	0.02	(0.06)	(0.06)	(0.13)	(0.38)	1.20	3.85	6.26	7.65	8.30	8.31	
EPS diluted	(0.20)	(0.04)	(0.10)	(0.08)	(0.10)	(0.03)	0.01	(0.01)	(0.05)	(0.08)	(0.03)	0.02	(0.06)	(0.06)	(0.13)	(0.38)	1.00	3.23	5.29	6.52	7.13	7.18	
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	57,339	57,397	57,454	57,095	66,801	70,141	73,649	77,331	81,198	85,257	89,520	
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	57,339	57,397	57,454	57,095	66,801	84,179	87,686	91,368	95,235	99,295	103,557	

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 10/03/23	
			Count	Percent
Buy [B]	354	72.54	219	61.86
Neutral [N]	87	17.83	31	35.63
Sell [S]	2	0.41	1	50.00
Under Review [UR]	42	8.61	9	21.43

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

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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