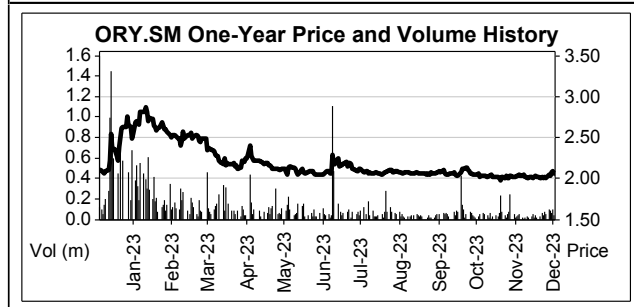


Healthcare: Biotechnology
Company Update
Oryzon Genomics SA | ORY.SM - €2.06 - MADRID | Buy

Stock Data			
52-Week Low - High	€1.86 - €2.93		
Shares Out. (mil)	58.98		
Mkt. Cap.(mil)	€121.20		
3-Mo. Avg. Vol.	58,487		
12-Mo.Price Target	€15.00		
Cash (mil)	\$8.8		
Tot. Debt (mil)	€20.1		
Rev (\$M)			
Yr Dec	—2022—	—2023E—	—2024E—
		Curr	Curr
1Q	0.0A	0.0A	0.0E
2Q	0.0A	0.0A	0.0E
3Q	0.0A	0.0A	0.0E
4Q	0.0A	0.0E	0.0E
YEAR	0.0A	0.0E	0.0E
EPS \$			
Yr Dec	—2022—	—2023E—	—2024E—
		Curr	Curr
1Q	(0.03)A	(0.03)A	(0.02)E
2Q	0.01A	0.02A	(0.02)E
3Q	(0.01)A	(0.02)A	(0.02)E
4Q	(0.05)A	(0.04)E	(0.02)E
YEAR	(0.08)A	(0.07)E	(0.09)E
P/E	NM	NM	NM



ORY: ALS Association Awards ORY a ~\$500k Grant to Evaluate ORY-4001 in ALS

To help fund preclinical evaluation of PRY-4001 in ALS, the ALS Association has awarded ORY a \$498.7k grant through its Lawrence and Isabel Barnett Drug Development Program. ORY-4001 is ORY's currently preclinical, highly selective HDAC6 inhibitor that is being developed in ALS.

- HDAC6 inhibition or depletion has been previously described as a potentially effective treatment for ALS, protecting against neurodegeneration in various ALS mouse and human iPSC models. ORY-4001 has also been shown to improve neuromuscular and neuromotor function, axonopathy, and demyelination in a mouse model of Charcot-Marie Tooth (CMT) type 1. Due to the key role altered axonal transport and proteostasis play in both CMT and ALS, ORY will evaluate ORY-4001 in ALS mouse models. ORY-4001 is currently advancing in its characterization in IND-enabling toxicology studies.
- Recall that in 1Q23, ORY announced that it selected ORY-4001, a selective HDAC-6 inhibitor, as its drug candidate to bring into the clinic for neurological diseases such as CMT and ALS, among others. HDAC-6 inhibitors are believed to be potentially effective treatments for CMT, ALS, and other neurological disorders lacking effective treatments. Last year, ORY and the CMT Research Foundation agreed to explore ORY's HDAC-6 inhibitors, and ORY-4001 was selected due to the positive preclinical results generated under this collaboration. ORY-4001 is highly selective against other HDAC classes, resulting in a favorable safety profile that avoids hematotoxicity, as well as being strongly anti-inflammatory *in vivo*. ORY-4001 has shown multiple positive responses in a validated CMT1A peripheral neuropathy *in vivo* model which reliably recapitulates many of the symptoms of CMT in humans, and it will now enter into IND enabling studies. CMT is a progressive, degenerative peripheral nerve disease affecting 150k U.S. patients and over 3M globally. CMT is caused by a variety of genetic mutations, with CMT1A mutation causing the disease in about half of the patients.
- In late 2Q23, ORY orally presented encouraging preclinical results for ORY-4001 at the 2023 Peripheral Nerve Society annual meeting, showing the drug to reverse disease progression symptoms in a murine model of CMT. The current results have inclined ORY to start IND enabling studies for ORY-4001. In September, animal model data in CMT was presented at the Third Annual Global CMT Research Convention. ORY-4001 reversed disease progression symptoms in a CMT mouse model that reliably recapitulates many human symptoms, improving myelination and restoring axon integrity in the sciatic nerve, and improving compound muscle action potential and nerve conduction by contrast to untreated animals.

ORY Intraday Price: €2.08 at 10:57AM 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 \$869 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 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.

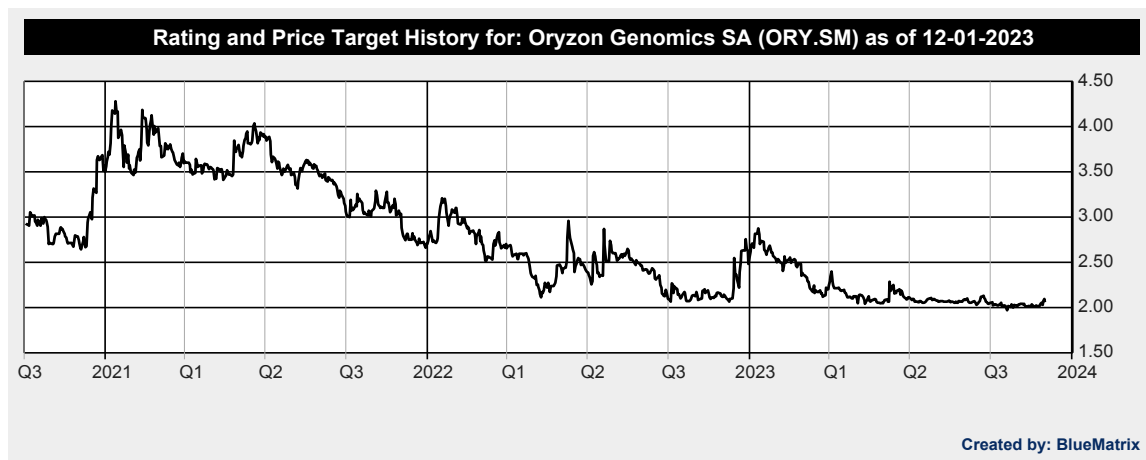
Oryzon Genomics SA																				Jonathan Aschoff, Ph.D. (646) 616-2795			
Income Statement																				jaschoff@roth.com			
Fiscal Year ends December																							
(in 000, except per share items)																							
	2017A	2018A	2019A	2020A	2021A	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	
Global iademstat revenue																	7,653	61,183	122,988	181,436	214,468	224,938	
Global vademstat revenue																	98,463	342,237	520,351	615,106	684,577	721,921	
Collaboration revenue	20																						
Total revenue	20																106,116	403,421	643,339	796,542	899,045	946,858	
Cost of revenue																	2,701	11,709	22,833	31,765	39,065	43,178	
R&D	6,363	8,489	12,647	13,591	15,118	17,701	4,372	4,264	3,821	3,859	16,316	3,898	3,937	3,976	4,016	15,827	18,992	20,891	21,936	22,155	22,377	22,600	
G&A	4,502	2,993	3,176	3,484	5,529	4,771	1,223	1,096	674	809	3,802	817	825	833	842	3,317	5,970	8,956	9,851	10,836	11,378	11,947	
Total operating expenses	10,865	11,482	15,823	17,075	20,647	22,472	5,595	5,360	4,495	4,668	20,118	4,715	4,762	4,809	4,858	19,144	27,664	41,555	54,620	64,757	72,820	77,725	
Operating income	(10,845)	(11,482)	(15,823)	(17,075)	(20,647)	(22,472)	(5,595)	(5,360)	(4,495)	(4,668)	(20,118)	(4,715)	(4,762)	(4,809)	(4,858)	(19,144)	78,452	361,865	588,719	731,786	826,224	869,133	
Other income (net)	5,659	8,143	11,522	11,805	12,510	16,661	4,215	4,054	3,669	2,000	13,938	3,000	3,000	3,000	3,000	12,000							
Net income (pretax)	(5,186)	(3,339)	(4,301)	(5,269)	(8,137)	(5,811)	(1,380)	(1,306)	(826)	(2,668)	(6,180)	(1,715)	(1,762)	(1,809)	(1,858)	(7,144)	78,452	361,865	588,719	731,786	826,224	869,133	
Net financial & tax	1,047	(1,991)	(187)	(1,098)	(2,760)	(1,276)	392	(2,459)	300	(250)	(2,017)	(250)	(250)	(250)	(250)	(1,000)	-	90,466	147,180	182,946	206,556	217,283	
Net income	(6,233)	(1,348)	(4,114)	(4,171)	(5,377)	(4,535)	(1,772)	1,153	(1,126)	(2,418)	(4,163)	(1,465)	(1,512)	(1,559)	(1,608)	(6,144)	78,452	271,399	441,539	548,839	619,668	651,850	
EPS basic	(0.20)	(0.04)	(0.10)	(0.08)	(0.10)	(0.08)	(0.03)	0.02	(0.02)	(0.04)	(0.07)	(0.02)	(0.02)	(0.02)	(0.02)	(0.09)	1.10	3.63	5.63	6.66	7.17	7.18	
EPS diluted	(0.20)	(0.04)	(0.10)	(0.08)	(0.10)	(0.08)	(0.03)	0.02	(0.02)	(0.04)	(0.07)	(0.02)	(0.02)	(0.02)	(0.02)	(0.09)	0.92	3.06	4.78	5.69	6.17	6.22	
Basic shares outstanding	31,711	34,638	41,589	49,235	52,762	53,354	56,190	57,339	58,154	58,212	57,474	66,944	67,614	67,681	67,749	67,497	71,137	74,693	78,428	82,349	86,467	90,790	
Diluted shares outstanding	31,711	34,638	41,565	49,235	52,762	53,354	56,190	57,339	58,154	58,212	57,474	66,944	67,614	67,681	67,749	67,497	85,174	88,731	92,465	96,387	100,504	104,827	

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 12/04/23	
			Count	Percent
Buy [B]	358	75.37	214	59.78
Neutral [N]	81	17.05	29	35.80
Sell [S]	3	0.63	2	66.67
Under Review [UR]	31	6.53	3	9.68

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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