ORYZON GENOMICS

BUY

TARGET PRICE : 6,6€ +137%

ASH 2020

ENCOURAGING NEW RESULTS FOR ALICE

Oryzon Genomics has presented encouraging new results for its ALICE phase IIa study in acute myeloid leukemia at the ASH annual meeting. The overall response rate is continuing to rise at the same time the complete response rate is holding at a competitive level compared to the standard of care and the competition. Concerning safety, the combination appears to be well tolerated. The dose of 60 µg/m²/d should be the optimal dose in the second half of the study. After an update, we are maintaining our target price of €6.6 and our BUY opinion.

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

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

Encouraging response rate compared to historical data and the competition

The group presented additional results for its ALICE phase IIa study evaluating iadademstat in combination with azacitidine (aza) yesterday at the 2020 annual meeting of the ASH. These results confirm the effectiveness of the combination and compare positively with previous results reported at the EHA meeting last June and the 2019 ASH meeting (see following table), with an overall response rate showing steady improvement. In greater detail, in 13 evaluable patients, the overall response rate (ORR) now equals 85% (11 patients out of 13). This response was divided between seven complete responses (CR/CRi, 64%) and four partial remissions (PR, 36%). The median time to response was 34 days. Compared to the previous update presented at the 2020 EHA meeting last June, we can see that a previously non-responding patient is now responding completely to the treatment. As a reminder, the EHA presentation highlighted an overall response rate of 77% with 60% CR/CRi and 40% PR. The median time to response was 37 days.

Summary of results presented for ALICE

	ASH (2020)	EHA (juin 2020)	ASH (2019)
Evaluable patients	13	13	8
ORR	11	10	6
%	*85%*	*77%*	*75%*
CR	7	6	5
%	*64%*	*60%*	*83%*
PR	4	4	1
%	*36%*	*40%*	*17%*
Median time to response (d)	34	37	32

Source : Invest Securities d'après posters

These figures validate the potential of the combination when compared to the historical overall response rate of 27% in this population treated with aza alone. Additionally, even if it is still difficult to make comparisons given the small sample, the combination of Venclexta (ABBVIE/ROCHE) + aza in this population (approved by the FDA last October 20) showed a complete response rate of 65% (vs 23% for aza alone).

in € / share	2020e	2021e	2022e
Adjusted EPS	-0,07	-0,12	0,59
chg.	*n.s.*	*n.s.*	*n.s.*
estimates chg.	*n.s.*	*n.s.*	*n.s.*

au 31/12	2020e	2021e	2022e
PE	n.s.	n.s.	n.s.
EV/Sales	n.s.	n.s.	n.s.
EV/EBITDA	n.s.	n.s.	n.s.
EV/EBITA	n.s.	n.s.	n.s.
FCF yield*	n.s.	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	n.s.

* After tax op. FCF before WCR

key points	
Share price (€)	2,8
Number of Shares (m)	53,1
Market cap. (€m)	140
Free float (€m)	111
ISIN	ES0167733015
Ticker	ORY-ES
DJ Sector	Health Technology

	1m	3m	Ytd
Absolute perf.	-5,0%	-4,5%	-5,0%
Relative perf.	-15,2%	-12,0%	+0,5%

Source : Factset, Invest Securities estimates

73, bd Haussmann - 75008 Paris
T : +33 (0)1 80 97 22 01
invest-securities.com

No safety concern

As concerns safety, looking beyond the anticipated hematological impact (neutropenia and thrombocytopenia), the combination appears safe and well tolerated, in line with results presented at the 2020 EHA meeting. As a reminder, in this study, the dose of 60 µg/ m²/d was selected by the SMC since it was expected to offer similar efficacy based on the fact that it provides same level of target engagement with a potential better tolerability and therefore a better adherence to treatment schedule. Of note, the first part of the ALICE study on 18 patients also aimed to determine the most suitable dose of iadademstat. The dose of 60 µg/ m²/d should therefore be used in the second part of the study. So far both doses appear to be equivalent in terms of ORR, based on the preliminary data presented at ASH. Furthermore, it should be emphasized that the parallel between iadademstat in AML (ALICE trial) and iadademstat in SCLC (CLEPSIDRA trial) is unwelcome since the combinations of treatments evaluated were distinct, with on the one hand an association with aza and on the other a triple combination with carboplatin and etoposide. Furthermore, as we pointed out in our previous report on CLEPSIDRA in SCLC, iadademstat in monotherapy was safe and well tolerated. We would note that 3 new patients have been added to the study since the submission of the ASH meeting poster presentation on November 17. After having been affected by the Covid-19 pandemic, the pace of recruitment has returned to its pre-crisis level. Moreover, the group has sufficient clinical batches to conduct all the clinical trials underway.

Preliminary safety data

System Organ Class *Preferred Term*	Number of patients (%) Event count Adverse events (AEs)	Adverse reactions (ARs)	Serious Adverse events (SAEs)	Serious Adverse reactions (SARs)
Investigations	**17 (89.5) 228**	**16 (84.2) 151**	**2 (10.5) 2**	**0 (0.0) 0**
Platelet count decreased	14 (73.7) 102	13 (68.4) 78	0 (0.0) 0	0 (0.0) 0
Neutrophil count decreased	13 (68.4) 95	12 (63.2) 70	0 (0.0) 0	0 (0.0) 0
Other	14 (73.7) 31	3 (15.8) 3	2 (10.5) 2	0 (0.0) 0
Gastrointestinal disorders	**17 (89.5) 61**	**10 (52.6) 19**	**1 (5.3) 1**	**0 (0.0) 0**
Constipation	12 (63.2) 27	6 (31.6) 10	0 (0.0) 0	0 (0.0) 0
Nausea	6 (31.6) 9	3 (15.8) 5	1 (5.3) 1	0 (0.0) 0
Other	10 (52.6) 25	3 (15.8) 4	0 (0.0) 0	0 (0.0) 0
General disorders and administration conditions	**16 (84.2) 47**	**6 (31.6) 11**	**5 (26.3) 5**	**0 (0.0) 0**
Asthenia	11 (57.9) 23	5 (26.3) 10	0 (0.0) 0	0 (0.0) 0
Pyrexia	8 (42.1) 11	1 (5.3) 1	3 (15.8) 3	0 (0.0) 0
Others	7 (36.8) 13	0 (0.0) 0	2 (10.5) 2	0 (0.0) 0
Blood and lymphatic system disorders	**16 (84.2) 117**	**7 (36.8) 41**	**6 (31.6) 7**	**0 (0.0) 0**
Anaemia	13 (68.4) 101	6 (31.6) 40	0 (0.0) 0	0 (0.0) 0
Febrile neutropenia	8 (42.1) 9	0 (0.0) 0	6 (31.6) 7	0 (0.0) 0
Other	5 (26.3) 7	1 (5.3) 1	0 (0.0) 0	0 (0.0) 0
Metabolism and nutrition disorders	**15 (78.9) 53**	**4 (21.1) 7**	**0 (0.0) 0**	**0 (0.0) 0**
Hypoalbuminaemia	7 (36.8) 7	0 (0.0) 0	0 (0.0) 0	0 (0.0) 0
Hyperglycaemia	5 (26.3) 6	0 (0.0) 0	0 (0.0) 0	0 (0.0) 0
Other	11 (57.9) 40	4 (21.1) 7	0 (0.0) 0	0 (0.0) 0
Infections and infestations	**13 (68.4) 29**	**0 (0.0) 0**	**12 (63.2) 17**	**0 (0.0) 0**
Respiratory tract infection	3 (15.8) 3	0 (0.0) 0	1 (5.3) 1	0 (0.0) 0
Pneumonia	3 (15.8) 3	0 (0.0) 0	3 (15.8) 3	0 (0.0) 0
Other	12 (63.2) 23	0 (0.0) 0	11 (57.9) 13	0 (0.0) 0
Nervous system disorders	**13 (68.4) 22**	**7 (36.8) 11**	**3 (15.8) 3**	**1 (5.3) 1**
Dysgeusia	8 (42.1) 12	6 (31.6) 10	0 (0.0) 0	0 (0.0) 0
Haemorrage intracranial	2 (10.5) 2	1 (5.3) 1	2 (10.5) 2	1 (5.3) 1
Other	5 (26.3) 8	0 (0.0) 0	1 (5.3) 1	0 (0.0) 0
Skin and subcutaneous tissue disorders	**10 (52.6) 13**	**3 (15.8) 4**	**0 (0.0) 0**	**0 (0.0) 0**
Rash	3 (15.8) 4	2 (10.5) 3	0 (0.0) 0	0 (0.0) 0
Other	9 (47.4) 9	1 (5.3) 1	0 (0.0) 0	0 (0.0) 0
Other	**12 (63.2) 36**	**2 (10.5) 3**	**5 (26.3) 6**	**1 (5.3) 1**
Differentiation syndrome	1 (5.3) 1	1 (5.3) 1	1 (5.3) 1	1 (5.3) 1
Other	11 (57.9) 35	1 (5.3) 2	4 (21.1) 5	0 (0.0) 0

Source : Oryzon Genomics

Valuation unchanged at €6.6, BUY opinion maintained

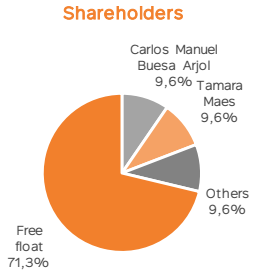
After the updating of our model, we are maintaining our BUY opinion with a target price of €6.6. Even after the series of positive presentations concerning the ALICE study, we are maintaining unchanged our probabilities of success in oncology (25%) for now, with a valuation of iadademstat (ED-SCLC and acute myeloid leukemia) of €2.4/share. Once again, we are maintaining our target price of €6.6 and our BUY opinion. Over the short term, we anticipate an announcement from Oryzon concerning the clinical development of iadademstat in SCLC and possibly an update on the ESCAPE study (n=40) evaluating vafidemstat in the treatment of respiratory distress syndrome linked to Covid-19.

73, bd Haussmann - 75008 Paris
T : +33 (0)1 80 97 22 01
invest-securities.com

INVESTMENT CASE

ORYZON is a Spanish biotech specializing in the treatment of neurodegenerative diseases and cancer. In all its development programs, the company identifies biomarkers through its genetic and proteomic platforms in order to develop small molecule drugs. Looking ahead of multiple clinical updates, we believe that Oryzon's lead programs could significantly advance in 2020/2021.

FINANCIAL DATA



Share information	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
Published EPS (€)	-0,15	-0,03	-0,09	-0,07	-0,12	0,59	0,50	0,82
Adjusted EPS (€)	**-0,15**	**-0,03**	**-0,09**	**-0,07**	**-0,12**	**0,59**	**0,50**	**0,82**
Diff. I.S. vs Consensus	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*
Dividend	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Valuation ratios	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
P/E	n.s.	n.s.	n.s.	n.s.	n.s.	4,7x	5,6x	3,4x
EV/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	2,36x	3,99x	0,82x
VE/EBITDA	n.s.	n.s.	n.s.	n.s.	n.s.	3,3x	4,6x	1,9x
VE/EBITA	n.s.	n.s.	n.s.	n.s.	n.s.	3,3x	4,6x	1,9x
Op. FCF bef. WCR yield	n.s.	n.s.	n.s.	n.s.	n.s.	13,8%	11,8%	33,7%
Op. FCF yield	n.s.	n.s.	n.s.	n.s.	n.s.	13,8%	11,8%	33,7%
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	2020e	2021e	2022e	2023e	2024e
Share price in €	*4,6*	*2,8*	*3,2*	*2,8*	*2,8*	*2,8*	*2,8*	*2,8*
Market cap.	156	95	148	134	134	134	134	134
Net Debt	-17	-23	-27	-14	0	-16	-28	-55
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**	**73**	**122**	**120**	**134**	**118**	**106**	**79**

Income statement (€m)	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
Sales	0,0	0,0	0,0	0,0	0,0	50,0	26,5	96,3
chg.	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*	*n.s.*
EBITDA	-4	-3	-4	-4	-6	35	23	42
EBITA	**-4**	**-3**	**-4**	**-4**	**-6**	**35**	**23**	**42**
chg.	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***-35,5%***	***+84,6%***
EBIT	-4,7	-3,3	-3,8	-4,0	-6,0	34,9	22,3	41,5
Financial result	-1	-1	-1	-1	-1	-1	-1	-1
Corp. tax	0	3	1	2	2	-9	0	-5
Minorities+affiliates	0	0	0	0	0	0	0	0
Net attributable profit	-5,2	-1,2	-3,8	-3,0	-5,0	25,7	21,8	35,9
Adjusted net att. profit	**-5,2**	**-1,2**	**-3,8**	**-3,0**	**-5,0**	**25,7**	**21,8**	**35,9**
chg.	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***n.s.***	***-15,2%***	***+64,8%***

Cash flow statement (€m)	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
EBITDA	-3,9	-3,1	-3,7	-3,7	-5,7	35,3	22,7	42,0
Theoretical Tax / EBITA	0,1	2,5	0,9	1,5	1,5	-8,7	0,0	-5,1
Capex	0,6	-7,0	-9,6	-10,3	-10,3	-10,3	-10,3	-10,3
Operating FCF bef. WCR	**-3,2**	**-7,6**	**-12,4**	**-12,5**	**-14,5**	**16,3**	**12,5**	**26,7**
Change in WCR	-0,2	0,3	0,3	0,0	0,0	0,0	0,0	0,0
Operating FCF	**-3,4**	**-7,3**	**-12,1**	**-12,5**	**-14,5**	**16,3**	**12,5**	**26,7**
Acquisitions/disposals	5,1	0,1	0,5	0,0	0,0	0,0	0,0	0,0
Capital increase/decrease	16,9	11,9	18,4	20,0	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 FreeCash Flow	**18,5**	**4,7**	**6,7**	**7,5**	**-14,5**	**16,3**	**12,5**	**26,7**

Balance Sheet (€m)	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
Assets	25	32	42	52	62	72	82	92
Intangible assets/GW	22	29	40	50	60	70	80	89
WCR	-8	-9	-8	-8	-8	-8	-8	-8
Group equity capital	34	45	61	78	73	99	121	156
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**	**-14,0**	**0,5**	**-15,8**	**-28,3**	**-55,0**

Financial ratios	2017	2018	2019	2020e	2021e	2022e	2023e	2024e
EBITDA margin	n.s.	n.s.	n.s.	n.s.	n.s.	70,6%	85,9%	43,6%
EBITA margin	n.s.	n.s.	n.s.	n.s.	n.s.	70,6%	85,9%	43,6%
Adjusted Net Profit/Sales	n.s.	n.s.	n.s.	n.s.	n.s.	51,4%	82,3%	37,3%
ROCE	n.s.	n.s.	n.s.	n.s.	n.s.	54,9%	30,7%	50,1%
ROE adjusted	n.s.	n.s.	n.s.	n.s.	n.s.	26,0%	18,1%	23,0%
Gearing	n.s.	n.s.	n.s.	n.s.	0,6%	n.s.	n.s.	n.s.
ND/EBITDA (in x)	n.s.	n.s.	n.s.	n.s.	n.s.	-0,4x	-1,2x	-1,3x

Source : company, Invest Securities Estimates

73, bd Haussmann - 75008 Paris
T : +33 (0)1 80 97 22 01
invest-securities.com

SWOT ANALYSIS

STRENGTHS

- Epigenetic platform
- Numerous clinical development programs
- Solid cash position

WEAKNESS

- No partnership
- Numerous failures in lead indication (AD)
- Tight competition in oncology indications

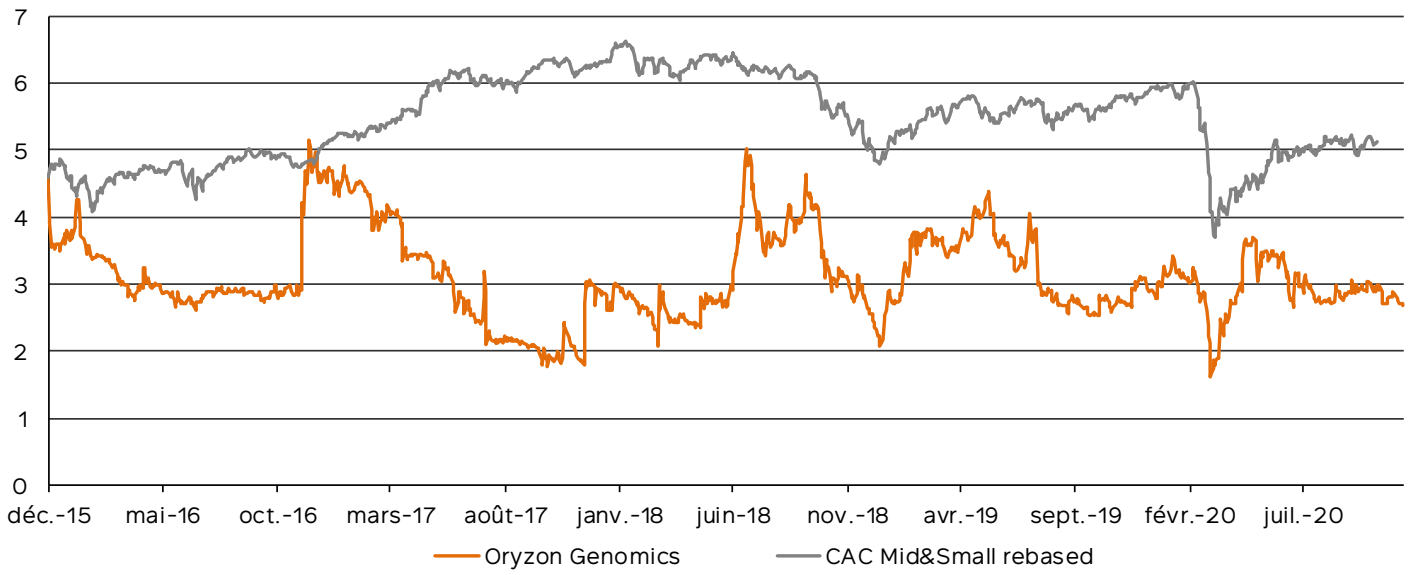
OPPORTUNITIES

- Potential partnership agreement
- Expansion indications for clinical programs

THREATS

- Clinical and regulatory risks
- Commercial risks
- Legal risks

SHARE PRICE CHANGE FOR 5 YEARS



DETECTION OF CONFLICTS OF INTEREST

	Corporate Finance	Treasury stocks holding	Prior communication to company	Analyst's personal interest	Liquidity contract	Listing Sponsor	Research Contract
Oryzon Genomics	No	No	No	No	No	No	Yes

DISCLAIMER

The present document does not constitute and is not part of any offer or solicitation for the purchase or sale of stocks and/or bonds issued by the issuers. While all the necessary precautions have been taken in order to assure that the facts mentioned in this present document are accurate and that the forecasts, opinions and scenarios contained in it are sincere and reasonable, Invest Securities has not verified the information contained in the present document and consequently neither Invest Securities nor any of its corporate officers, managers or employees may be held liable in any manner for its content. No guarantee is given regarding the accuracy, sincerity or completeness of the information contained in the present document. No persons accept any liability for any losses whatsoever resulting from the use of the present document or its contents or in any way linked to the present document. Research reports (including their preparation and distribution) are subject to the terms of Regulation (EU) no. 596/2014 of the European Parliament concerning market abuses. The present document is uniquely destined for (A) persons supplying third party portfolio management investment services and/or (B) qualified investors acting on their own behalf as defined in articles L.411-2, D.411-1 and D.411-4 of the Monetary and Financial Code. The present document has been supplied to you on a confidential basis and may not be reproduced or transmitted, in whole or part, to any other person or be published.

73, bd Haussmann - 75008 Paris
T : +33 (0)1 80 97 22 01
invest-securities.com

DIRECTION

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

FINANCIAL ANALYSIS

Maxime Dubreil
Head of Equity Research
+33 1 44 88 77 98
mdubreil@invest-securities.com

Stéphane Afonso
Real Estate
+33 1 73 73 90 25
safonso@invest-securities.com

Johann Carrier
Stock-Picking
+33 1 44 88 77 88
jcarrier@invest-securities.com

Bruno Duclos
Real Estate
+33 1 73 73 90 25
bduclos@invest-securities.com

Benoît Faure-Jarrosson
Real Estate
+33 1 73 73 90 25
bfaure-jarrosson@invest-securities.com

Christian Guyot
Consumer Goods
+33 1 80 97 22 01
cguyot@invest-securities.com

Matthieu Lavillunière, CFA
Technology
+33 1 73 73 90 34
mlavilluniere@invest-securities.com

Ludovic Martin, CFA
Consumer Goods
+33 1 73 73 90 36
lmartin@invest-securities.com

Vladimir Minot
Real Estate
+33 1 73 73 90 25
vminot@invest-securities.com

Thibault Morel
Technology
+33 1 44 88 77 97
tmorel@invest-securities.com

Jean-Louis Sempé
Automotive
+33 1 73 73 90 35
jlsempe@invest-securities.com

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

TRADING FLOOR

François Habrias
Institutional Sales
+33 1 55 35 55 70
fhabrias@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

Renaud Vallette Viallard
Institutional Sales
+33 1 72 38 26 32
rvv@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

Claude Bouyer
Senior Advisor
+33 1 44 88 88 02
cbouyer@invest-securities.com

73, bd Haussmann - 75008 Paris
T : +33 (0)1 80 97 22 01
invest-securities.com