

Oryzon Genomics

Lead asset granted expansion into combo therapies

Clinical update

Pharma and biotech

16 December 2022

Price €2.35

Market cap €129m

US\$1.22/€

Estimated net cash (€m) at end-September 2022 9.7

Shares in issue 54.7m

Free float 80%

Code ORY

Primary exchange Madrid Stock Exchange

Secondary exchange N/A

Share price performance



Business description

Oryzon Genomics is a Spanish biotech focused on epigenetics. Iadademstat is being explored for acute leukaemias, SCLC and NECs. Vafidemstat, its central nervous system (CNS) asset, has completed several Phase IIa trials and a Phase IIb trial in borderline personality disorder is now the lead study, but Oryzon is rapidly expanding its CNS R&D pipeline.

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Oryzon Genomics is a research client of Edison Investment Research Limited

Oryzon Genomics has announced that it has been [awarded an EU grant](#) to initiate a project to investigate the company's lead clinical oncology asset, iadademstat, in combination with immunotherapy drugs that include immune checkpoint inhibitors (ICIs) and/or cancer vaccines. The project has a global budget of €1.4m of which Oryzon will contribute c 50%; this will be partly offset by the company receiving up to €0.4m under the Eurostars-3 programme. Investigations are anticipated to start on 1 May 2023 and will be run in collaboration with the Danish immunotherapy focused biotech InProTher and the University of Copenhagen. In our view, combination therapies will form the cornerstone of future innovation in oncology, so the EU grant provides a critical platform to investigate iadademstat in novel treatment regimens and potential expansion into new indications. We value Oryzon at €847m or €15.5 per share.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/20	9.5	(4.8)	(0.07)	0.0	N/A	N/A
12/21	10.6	(7.2)	(0.09)	0.0	N/A	N/A
12/22e	14.4	(5.0)	(0.05)	0.0	N/A	N/A
12/23e	15.9	(5.8)	(0.06)	0.0	N/A	N/A

Note: *PBT and EPS is normalised, excluding amortisation of acquired intangibles, other income and exceptional items.

As a reminder, iadademstat is being developed as an inhibitor of the epigenetic target lysine-specific demethylase 1 (LSD1), a gene expression regulator, dysregulation of which has been shown to play a key role in the development of a [variety of cancers](#).

Iadademstat is currently being investigated by Oryzon in multiple oncology programmes, including the [Phase I](#) (FRIDA) study in relapsed/refractory (r/r) FLT3+ acute myeloid leukaemia and a Fox Chase Cancer Centre sponsored [Phase II](#) study in neuroendocrine cancers or r/r small cell lung cancer (SCLC), and the company is preparing a Phase I/II (STELLAR) trial in metastatic SCLC in combination with ICIs. Oryzon [recently reported](#) encouraging results from its completed Phase IIa ALICE study in which iadademstat displayed an encouraging efficacy profile, achieving an objective response rate of 81% and median overall survival of 11.1 months.

As recently discussed in our [Oncology ABCs report](#), we believe ICIs and cancer vaccine combinations will be key in the development of efficacious cancer therapies, so further investigations that include iadademstat may provide additional synergistic clinical benefits and further broaden its clinical utility. Additionally, LSD1 inhibitors have been proposed as a potential treatment that may [overcome tumour resistance](#) to ICIs.

This is not the first independent recognition Oryzon has received to expedite iadademstat's development, having [previously been awarded](#) a Cooperative Research and Development Agreement and a €1.87m European Commission grant to finance [the FRIDA study](#).

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