

Q3 2023 RESULTS

STABLE Q3, CASH OF €8.8M AS OF 30 SEPTEMBER

The Q3 publication was stable and in line with our estimates for FY 2023. Cash at end-September amounted to €8.8m, providing financial visibility until late Q1/early Q2 2024 in our view. As such, we expect refinancing of around €20m during Q1 2024 to secure the businesses until end-2024/early 2025. The company expects a significant catalyst during Q1 2024 with the publication of top-line results from the Ph IIb PORTICO trial assessing the clinical benefits of vafidemstat in management of borderline personality disorder (BPD). If positive, these results could provide an opportunity to raise funds, bearing in mind that the initial results communicated from the trial showed an improvement in the parameters defined as its primary criteria.

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Document completed on
31/10/2023 8:38

Document published on
31/10/2023 8:38

Unsurprising Q3 results in line with our estimates

The net loss deepened to €1.1m in Q2 2023 vs €0.6m in Q3 2022, despite a slight decline in spending offset by a fall in revenues. Revenue amounted to €3.7m in Q3 2023 vs €4.2m in Q3 2022. Operating expenses stood at €4.5m in Q3 2023 vs. €4.9m in Q3 2022 with R&D expenses at €3.8m vs €4.3m and stable G&A expenses of €674k vs €659k. Financial items were lower with an expense of €300k recorded in Q3 2023 vs. income of €67k in Q3 2022. The net loss therefore ended at €1.1m in Q3 2023 vs €0.6m in Q3 2022.

Over the first nine months of 2023, revenues amounted to €11.7m vs. €11.3m over 9M 2022. Operating expenses remained stable reaching €15.2m over 9M 2023 vs €15.2m over 9M 2022, including around 80% for R&D (€12.2m vs €11.9m). Nine-month financial income stood at €1.7m vs. €2m in 9M 2022. The nine-month net loss was €1.7m vs €1.9m in 9M 2022.

We expect 2023 earnings in line with 2022 figures, with very little change in the company's scope of activities despite completion of the Phase IIa ALICE trial, which was positive in assessing the safety profile and clinical benefits of ladademstat in combination with azacitidine chemotherapy in elderly patients suffering from AML (acute myeloid leukaemia). The Ph Ib FRIDA trial has taken over to assess the potential of lada in combination with gilteritinib in patients with relapsed or refractory FLT3-mutated AML.

Cash providing visibility to end Q1 2024 on our estimates

Cash at end-September 2023 totalled €8.8m vs €27m at end-September 2022, or cash burn of almost €18m over 12 months. On our estimates, available cash currently provides financial visibility out to March/April 2024, thereby indicating refinancing needs in early Q1 2024. Given the company's requirements, we estimate a €20m fund raise should enable it to secure its activities until end-2024. The main catalyst expected in the short term concerns the Ph IIb PORTICO trial assessing vafidemstat in management of BPD (borderline personality disorder). All of the patients have been recruited and the last patient in the cohort of 210 participants should finalise their protocol before the end of 2023. Top-line results are expected in Q1 2024 and will be presented during a conference in psychiatry. The results presented so far have been promising, showing a reduction in aggressiveness and agitation, as well as an improvement in the general state of the patients, which were the trial's primary criteria.

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

in € / share	2023e	2024e	2025e
Adjusted EPS	0,48	0,15	0,17
chg.	-15,6%	-69,0%	+14,4%
estimates chg.	-806%	-229%	n.s.
au 31/12	2023e	2024e	2025e
PE	0,0x	0,0x	0,0x
EV/Sales	-0,2x	n.s.	n.s.
EV/Adjusted EBITD	-0,2x	-0,3x	0,1x
EV/Adjusted EBITA	-0,2x	-0,3x	0,1x
FCF yield*	-292,2%	n.s.	n.s.
Div. yield (%)	n.s.	n.s.	n.s.

* After tax op. FCF before WCR

key points	
Closing share price 30/10/2023	2,0
Number of Shares (m)	58,6
Market cap. (€m)	118
Free float (€m)	97
ISIN	ES0167733015
Ticker	ORY-ES
DJ Sector	Health Technology

	1m	3m	Ytd
Absolute perf.	-1,2%	-3,3%	-18,5%
Relative perf.	+7,3%	+12,9%	-10,1%

Source : Factset, Invest Securities estimates

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FINANCIAL DATA

Share information	2018	2019	2020	2021	2022	2023e	2024e	2025e
Published EPS (€)	-0,03	-0,08	-0,08	-0,14	0,57	0,48	0,15	0,17
Adjusted EPS (€)	-0,03	-0,08	-0,08	-0,14	0,57	0,48	0,15	0,17
<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	0,00	1,00

Valuation ratios	2018	2019	2020	2021	2022	2023e	2024e	2025e
P/E	n.s.	n.s.	n.s.	n.s.	0,0x	0,0x	0,0x	0,0x
EV/Sales	n.s.	n.s.	n.s.	n.s.	0,16x	-0,16x	n.s.	n.s.
EV/Adjusted EBITDA	n.s.	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,3x	0,1x
EV/Adjusted EBITA	n.s.	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,3x	0,1x
Op. FCF bef. WCR yield	n.s.	n.s.	n.s.	n.s.	198,8%	-292,2%	n.s.	n.s.
Op. FCF yield	n.s.	n.s.	n.s.	n.s.	198,8%	-292,2%	n.s.	n.s.
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)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Share price in €	0,0	2,5	0,0	0,0	0,0	0,0	0,0	0,0
Market cap.	0	124	39	39	39	39	39	39
Net Debt	-23	-27	-29	-15	-31	-43	-41	-40
Minorities	0	0	0	0	0	0	0	1
Provisions/ near-debt	0	0	0	0	0	0	0	0
+/- Adjustments	0	0	0	0	0	0	0	1
Entreprise Value (EV)	-22	98	10	24	8	-4	-2	1

Income statement (€m)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Sales	0,0	0,0	0,0	0,0	50,0	26,5	0,0	0,0
<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>
Adjusted EBITDA	-3	-4	-4	-6	35	22	8	9
adjusted EBITA	-3	-4	-4	-6	35	22	8	9
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	-36,3%	-65,8%	+13,3%
EBIT	-3,3	-3,8	-4,3	-6,8	34,1	21,5	7,0	8,0
Financial result	-1	-1	0	0	0	0	0	0
Corp. tax	3	1	1	1	-9	0	0	0
Minorities+affiliates	0	0	0	0	0	0	0	0
Net attributable profit	-1,2	-3,7	-3,4	-5,9	25,0	21,1	6,5	7,5
Adjusted net att. profit	-1,2	-3,7	-3,4	-5,9	25,0	21,1	6,5	7,5
<i>chg.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	-15,6%	-69,0%	+14,4%

Cash flow statement (€m)	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	-3,1	-3,7	-4,1	-6,5	34,5	22,0	7,5	8,5
Theoretical Tax / EBITA	2,5	0,9	1,4	1,4	-8,7	0,0	0,0	0,0
Capex	-7,0	-9,6	-9,1	-9,5	-9,5	-9,5	-9,5	-9,5
Operating FCF bef. WCR	-7,6	-12,4	-11,8	-14,6	16,3	12,5	-2,0	-1,0
Change in WCR	0,3	0,3	-1,2	0,0	0,0	0,0	0,0	0,0
Operating FCF	-7,3	-12,1	-13,1	-14,6	16,3	12,5	-2,0	-1,0
Acquisitions/disposals	0,1	0,5	0,1	0,0	0,0	0,0	0,0	0,0
Capital increase/decrease	11,9	18,4	18,2	0,0	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 Cash-Flow	4,7	6,7	5,3	-14,6	16,3	12,5	-2,0	-1,0

Balance Sheet (€m)	2018	2019	2020	2021	2022	2023e	2024e	2025e
Assets	32	42	52	61	70	79	88	97
Intangible assets/GW	29	40	49	58	68	77	86	95
WCR	-9	-8	-5	-5	-5	-5	-5	-5
Group equity capital	45	61	76	70	95	116	123	130
Minority shareholders	0	0	0	0	0	0	0	1
Provisions	0	0	0	0	0	0	0	0
Net financial debt	-22,6	-26,7	-29,1	-14,5	-30,8	-43,3	-41,3	-40,3

Financial ratios	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA margin	n.s.	n.s.	n.s.	n.s.	69,0%	83,1%	#DIV/0!	#DIV/0!
EBITA margin	n.s.	n.s.	n.s.	n.s.	69,0%	83,1%	#DIV/0!	#DIV/0!
Adjusted Net Profit/Sales	n.s.	n.s.	n.s.	n.s.	49,9%	79,6%	#DIV/0!	#DIV/0!
ROCE	n.s.	n.s.	n.s.	n.s.	53,0%	29,6%	9,0%	9,2%
ROE adjusted	n.s.	n.s.	n.s.	n.s.	26,3%	18,1%	5,3%	5,7%
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.	-0,9x	-2,0x	-5,5x	-4,7x

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

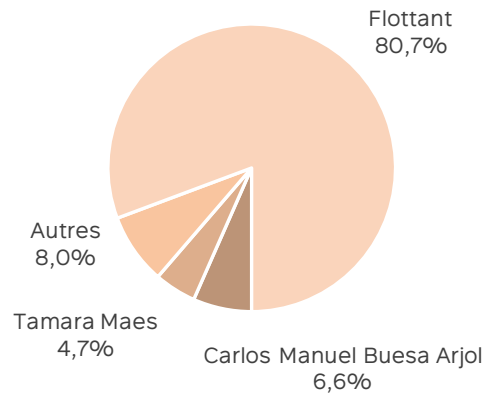
- Potential partnership
- Extension of indications

THREATS

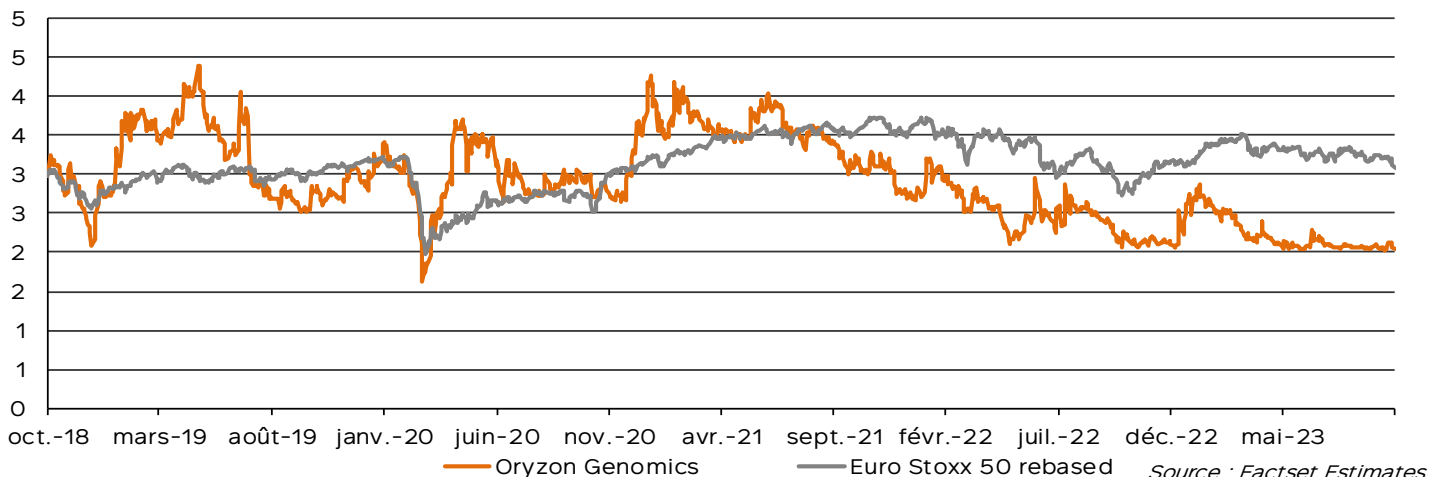
- Clinical and regulatory risk
- Commercial risks
- Legal risks

ADDITIONAL INFORMATION

Shareholders



SHARE PRICE CHANGE FOR 5 YEARS



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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
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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.	Yes
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.

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