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Jean Pierre LOZA

Analyste Financier / Equity Analyst
jploza@genesta-finance.com
+ 33 1.45.63.68.87

**Noxxon Pharma****Noxxon lève 6,4 M€ et renforce son actionnariat**

Noxxon a finalisé très récemment une augmentation de capital d'un montant de 6,4 M€ auprès d'investisseurs institutionnels. Par ailleurs, la société a sécurisé la production de ses lots cliniques de NOX-A12. Achat Fort avec un TP de 0,80 €.

Noxxon raises €6.4m and strengthens its shareholder base

Noxxon realized very recently a capital increase of €6.4m with institutional investors. In addition, the company has secured the production of its clinical batches of NOX-A12. Strong Buy with a TP of €0.80.

Recommendation **1. Strong Buy**
Closing Price on 29 Jan. 2021 **0,42 €**
Target Price **0,80 € (+73,3 %)**

Après une augmentation de capital de plus de 6,4 M€ et la sécurisation de la production de ses lots cliniques de NOX-A12, Noxxon en très bonne posture pour débiter 2021.

Cette opération de financement conforte la trésorerie de Noxxon et lui apporte une liberté supplémentaire pour réaliser son programme de développement clinique dans ses deux indications prioritaires. Par ailleurs, Noxxon avait annoncé en décembre dernier « avoir sécurisé » la production de ses lots cliniques de NOX-A12, une très bonne nouvelle quand on connaît la tension actuelle sur l'ensemble de producteur de principes actifs biopharmaceutiques.

Après mise à jour de notre modèle (nombre d'actions), nous ajustons notre TP à 0,80 € par action et maintenons notre opinion Achat fort sur la valeur.

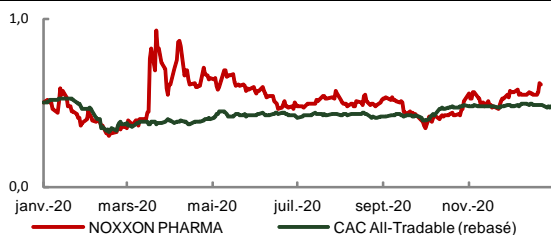
After a capital increase of more than €6.4 million and securing NOX-A12 clinical batch production, Noxxon starts 2021 in very good posture.

This transaction strengthens Noxxon's cash position and gives it an additional freedom to carry out its clinical development program in its two priority indications. In addition, Noxxon announced last December "to have secured" the production of its clinical batches of NOX-A12, which is very good news given the current tension among producers of biopharmaceutical active ingredients.

After updating our model (number of shares), we are adjusting our TP to € 0.80 per share and maintaining our Strong Buy opinion on the stock.

Performances

Absolute perf. 1 month 6 months 12 months
-24,5 % -11,5 % -15,1 %

**Market data**

Reuters / Bloomberg ticker	ALNOX.PA / ALNOX.FP
Market capitalisation (€m)	26,1 M€
Enterprise value (€m)	27,1 M€
Free Float	21,6 M€ (82,6 %)
Number of shares	61 455 532
Daily volume	1 517 106 €
Capital turnover rate (1 year)	105,2%
High (52 weeks)	0,93 €
Low (52 weeks)	0,30 €

Current shareholding structure (before last capital increase)

Free float : 82,6 % ; Nyenburgh: 10,0% ; Kreos Capital: 4,2% ;
NGN Biomed: 1,2% ; TVM Capital: 1,1 % ; DEWB: 0,9%

Agenda

Q2 2021: 2nd (400 mg) cohort top-line data GBM (GLORIA);
Mid 2021: 3dr (600mg) cohort top-line data GBM (GLORIA);
GLORIA Cohort expansion and Pancreas Cancer Trial (H2 2021)

Key figures

	2018	2019	2020E	2021E	2022E
Revenues (M€)	0,4	0,3	0,1	6,6	13,4
Change (%)	-	-	-	-	-
EBITDA (M€)	-4,3	-3,9	-4,0	-2,0	-0,7
EBIT (M€)	-4,3	-4,0	-4,1	-2,0	-0,7
EBIT Margin (%)	NS	NS	NS	NS	NS
Net profit gp sh. (%)	-10,7	-0,9	-8,1	-5,1	-1,7
Net margin (%)	NS	NS	NS	NS	NS
EPS	-0,11	-0,01	-0,35	-0,22	-0,08

Ratios

	2018	2019	2020E	2021E	2022E
VE / CA	NS	NS	NS	NS	NS
VE / EBIT	NS	NS	NS	NS	NS
VE / REX	NS	NS	NS	NS	NS
P / E	NS	NS	NS	NS	NS
Gearing (%)	NS	NS	NS	NS	NS
Net debt/ EBITDA	NS	NS	NS	NS	NS
RCE (%)	NS	NS	NS	NS	NS

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Une augmentation de capital de 6,4 M€

Noxxon a annoncé le 26 janvier dernier la conclusion positive d'une nouvelle augmentation de capital d'un montant total d'un peu plus de 6,4 M€. Souscrite majoritairement par de nouveaux investisseurs institutionnels, elle élargit la base investisseurs de la société et accroît sa visibilité. Cette dernière levée s'ajoute aux 5,5 M€ provenant notamment de la précédente augmentation de capital qui avait permis l'entrée au capital du fonds spécialisé néerlandais Nyenburgh Investment Partners (NYIP).

12 277 219 nouvelles actions ont été émises, en contrepartie de la levée de 6 424 748 euros, à 0,45 €/action, soit une décote de 22,5% sur la moyenne des cours de clôture de l'action entre le 19 janvier et le 25 janvier 2021. L'augmentation de capital induit une dilution de 23% du capital social faisant passer le nombre d'actions de 47 178 313 actions à 61 455 532 actions en date du 29 janvier, lors de l'admission à la cotation.

Stratégie de développement de NOX-A12 : lots cliniques

Afin d'implémenter sa stratégie de développement clinique dans les deux indications prioritaires (le cancer du pancréas et le glioblastome), Noxxon a donc lancé la production de ses lots cliniques. En effet, lors des essais cliniques, la molécule phare de Noxxon, le NOX-A12 doit être produite selon un certain nombre de critères appelés les bonnes pratiques de fabrication (BPF ou GMP), correspondant aux standards réglementaires internationaux. Ainsi, sont contrôlés non seulement la fabrication des principes actifs, mais aussi le conditionnement primaire (conformité, dosage, étiquetage) et secondaire (lots de doses...), processus qui conduit ultimement à la libération réglementaire des médicaments de l'essai.

Comme on peut le voir, il s'agit d'un processus particulièrement exigeant, qui est aujourd'hui sous-traité aussi bien par les grands laboratoires pharmaceutiques que par les entités de moindre taille. Pour cela, Noxxon a donc tiré en décembre dernier partiellement les tranches (2,5 M€ sur un total possible de 3,4 M€) dédiées à la fabrication de médicaments (véhicule d'OC d'Atlas Special Opportunities, LLC (ASO), ce qui a entraîné l'émission de 2 546 OC (1 000 € / OC)).

Avancements cliniques

Noxxon accélère le développement du NOX-A12 dans ses deux indications principales : le cancer du pancréas et le glioblastome.

Dans le cancer du pancréas, où les premiers résultats ont été très positifs, Noxxon devrait lancer dès le S2 2021 une étude clinique de phase II du type « Pick the Winner », avec deux combinaisons de chimiothérapie associées avec un anti-PD-1 et NOX-A12 chez des patients en 2L, afin de déterminer la meilleure association pour un essai pivot à suivre. Une conclusion positive de cette étude pivot pourrait conduire à une demande d'AMM en 2026 et un enregistrement en 2027.

Dans le glioblastome, à l'issue du recrutement du groupe 600 mg de l'essai de phase I/II (GLORIA), Noxxon prévoit d'élargir en 2021 l'étude d'escalade de doses, afin d'obtenir des données supplémentaires de sécurité et d'efficacité. Noxxon devrait lancer en 2022 une étude pivot (NOX-A12 + radiothérapie) en première ligne chez des patients atteints d'un GBM MGMT non-méthylé, donc non sensible au temozolomide (traitement de référence). Une première demande d'AMM pourrait être faite dès 2024 avec un possible enregistrement en 2025.

L'augmentation du nombre de titres en circulation induit automatiquement une modification du cours du titre (47 178 313 actions à 61 455 532 actions). Toutefois, les perspectives de Noxxon et le newsflow soutenu (résultats, nouveaux essais cliniques) nous incitent à maintenir notre opinion Achat Fort avec un nouveau TP de 0,80 €.

A capital increase of €6,4 million

Noxxon announced on January 26th the successful conclusion of a new capital increase for a total amount of €6.4 million. Subscribed mainly by new institutional investors, it broadens the company's investor base and increases its visibility. This latest round of financing comes on top of the €5.5 million raised in the previous capital increase, which enabled the Dutch specialist fund Nyenburgh Investment Partners (NYIP) to acquire a stake in the company.

12,277,219 new shares were issued, in return for the €6,424,748 raised, at €0.45 per share, representing a 22.5% discount on the average closing share price between January 19 and January 25, 2021. The capital increase induces a 23% dilution of the share capital, increasing the number of shares from 47,178,313 to 61,455,532 shares on January 29th, upon admission to listing.

NOX-A12 development strategy: clinical batches

To implement its clinical development strategy in the two priority indications (pancreatic cancer and glioblastoma), Noxxon has therefore launched the production of its clinical batches. Indeed, during clinical trials, Noxxon's lead molecule, NOX-A12, must be produced according to the criteria called Good Manufacturing Practices (GMP), corresponding to international regulatory standards. Thus, not only the manufacture of the active ingredients is controlled, but also the primary packaging (compliance, dosage, labeling) and secondary packaging (dose batches, etc.), a process that ultimately leads to the regulatory release of the trial drugs.

As can be seen, this is a particularly demanding process, which is today outsourced by both large pharmaceutical companies and smaller entities. For this reason, last December, Noxxon drew some of the tranches (€2.5 million out of a possible total of €3.4 million) dedicated to drug manufacturing (OC vehicle of Atlas Special Opportunities, LLC (ASO), resulting in the issuance of 2,546 OCs (€1,000 / OC)).

Clinical moves

Noxxon is accelerating the development of NOX-A12 in its two main indications: pancreatic cancer and glioblastoma.

In pancreatic cancer, where initial results have been very positive, Noxxon is expected to initiate in H2 2021 a Phase II "Pick the Winner" clinical trial, with two combinations of chemotherapy combined with anti-PD-1 and NOX-A12 in 2L patients, to determine the best combination for a pivotal trial to follow. The positive conclusion of this pivotal study could lead to a market authorization application in 2026 and registration in 2027.

In glioblastoma, following enrollment of the 600 mg arm of the Phase I/II trial (GLORIA), Noxxon plans to expand the dose escalation study in 2021 to obtain additional safety and efficacy data. Noxxon is expected to initiate a pivotal trial (NOX-A12 + radiotherapy) in 2022 as a first-line trial in patients with non-methylated MGMT GBM, that is not sensitive to temozolomide (standard of care treatment). An initial market authorization application could be filed as early as 2024, with a possible registration in 2025.

The increase in the number of shares outstanding automatically leads to a change in the share price (47,178,313 shares to 61,455,532 shares). However, the outlook for Noxxon and the sustained newsflow (results, new clinical trials) lead us to maintain our Strong Buy opinion with a new TP at € 0.80.

Important Disclosure

Genesta Equity Research ratings and target prices definition

Genesta Equity Research stock market recommendations reflect the absolute change expected in the share price from a six to twelve-month perspective (in local currencies).

1. Strong buy	The absolute share price performance is expected to be at least +25 %
2. Buy	The absolute share price performance is expected to be comprised between +10 % and +25 %
3. Neutral	The absolute share price performance is expected to be comprised between +10 % et -10 %
4. Sell	The absolute share price underperformance is expected to be comprised between -10 % et -25 %
5. Strong Sell	The absolute share price underperformance is expected to be at least -25 %

Details of valuation methods used by Genesta Equity Research in target price calculations are available at www.genesta-finance.com.

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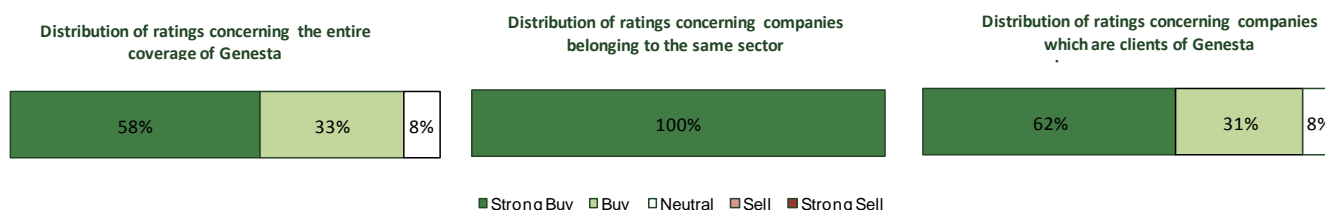
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No	No	No	No	Yes	No	No

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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
2 nd February 2021	Equity Flash Strong Buy	€ 0.80
24 th November 2020	Equity Flash Strong Buy	€ 1.05
19 th May 2020	Equity Flash Suspended / Covid-19	Suspended / Covid-19
4 th December 2019	Equity Flash Strong Buy	€ 2.55
3 rd July 2019	Equity Flash Strong Buy	€ 4.21

Ratings distribution



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