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**Noxxon Pharma****En attendant la 2^{ème} cohorte, Noxxon lève 1,2 M€**

Noxxon, qui vient de publier ses résultats pour 2020, devrait divulguer les données de la 2^{ème} cohorte NOX-A12+Radiothérapie dans le glioblastome. La société a réalisé une levée de fonds de 1,2 M€. Achat Fort avec un TP de 0,80 €.

Noxxon raises €1.2 million while waiting for the 2nd cohort

Noxxon, which has just published its 2020 results, is expected to disclose data from the 2nd NOX-A12+Radiotherapy cohort in glioblastoma. In April, the company completed a €1.2 million capital increase. Strong Buy with a TP of € 0.80.

Recommendation **1. Strong Buy**
Closing Price on 10 May. 2021 **0,42 €**
Target Price **0,80 € (+76,9 %)**

Alors que l'exercice 2020 a été caractérisé par une amélioration constante de la position de trésorerie, Noxxon devrait divulguer rapidement les résultats de la 2^{ème} cohorte de son essai dans le glioblastome.

Noxxon a donc maintenu ses investissements en R&D afin de démontrer la pertinence de ses molécules (NOX-A12 dans les cancers du pancréas et les glioblastomes) au prix d'un accroissement de ses pertes. Toutefois, les investisseurs continuent d'accompagner son développement, puisque Noxxon vient de réaliser deux augmentations de capital durant le premier semestre 2021 (6,4 M€ + 1,2 M€). Très rapidement durant le mois de mai 2021, Noxxon devrait par ailleurs communiquer sur les résultats de sa 2^{ème} cohorte d'escalade de dose dans le glioblastome.

Nous maintenons notre TP à 0,80 € par action ainsi que notre opinion Achat Fort sur la valeur. Toutefois, nous n'avons pas encore intégré les nouvelles actions qui sont en passe d'être émises à la suite de la dernière augmentation de capital.

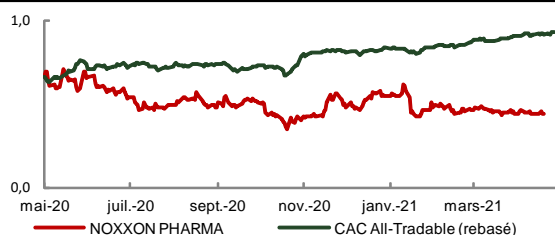
While fiscal year 2020 has been characterized by a steady improvement in the cash position, Noxxon is expected to quickly disclose results from the 2nd cohort of its glioblastoma trial.

Noxxon has therefore maintained its investments in R&D in order to demonstrate the relevance of its molecules (NOX-A12 in pancreatic cancer and glioblastoma) at the cost of increasing its losses. However, investors continue to support its development, as Noxxon has just completed two capital increases during the first half of 2021 (€6.4 million + €1.2 million). Very soon in May 2021, Noxxon should moreover communicate the results of its 2nd dose escalation cohort in glioblastoma.

We maintain our TP at € 0.80 per share as well as our Strong Buy opinion on the stock. However, we have not yet integrated the new shares that are about to be issued following the latest capital increase.

Performances

Absolute perf. 1 month 6 months 12 months
-6,4 % -1,9 % -36,9 %

**Market data**

Reuters / Bloomberg ticker	ALNOX.PA / ALNOX.FP
Market capitalisation (€m)	25,6 M€
Enterprise value (€m)	26,6 M€
Free Float	21,1 M€ (82,6 %)
Number of shares	61 455 532
Daily volume	1 517 977 €
Capital turnover rate (1 year)	106,9%
High (52 weeks)	0,71 €
Low (52 weeks)	0,35 €

Agenda

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

Ratios

	2019	2020	2021E	2022E	2023E
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

Current shareholding structure

Free float : 87,5 % ; Kreos Capital: 7,4% ; Nyenburgh: 2,3% ;
NGN Biomed: 1,4% ; DEWB: 0,8%; ASO: 0,6%

Key figures

	2019	2020	2021E	2022E	2023E
Revenues (M€)	0,3	0,1	6,6	13,4	62,2
Change (%)	-	-	-	-	-
EBITDA (M€)	-3,9	-5,8	-5,2	-5,2	15,2
EBIT (M€)	-4,0	-5,8	-5,3	-5,2	15,1
EBIT Margin (%)	NS	NS	NS	NS	NS
Net profit gp sh. (%)	-0,9	-10,4	-8,3	-6,2	16,1
Net margin (%)	NS	NS	NS	NS	NS
EPS	-0,01	-0,45	-0,36	-0,27	0,70

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2020 : « une année de résilience »

Malgré une légère réduction de ses produits d'exploitation à 147 K€ contre 279 K€ en 2019, la société a continué d'investir en R&D puisque les frais de R&D augmentent de plus 90% à 4,017 M€. Un accroissement qui s'explique par les poursuites des essais cliniques Glioblastome et l'augmentation du coût de production de lots cliniques de NOX-A12 et NOX-E36 en vue des prochains essais. Noxxon s'est efforcé de contrôler ses dépenses, notamment ses frais généraux et administratifs qui sont ainsi passé de 2,11 M€ en 2019 à 1,88 M€ en 2020. Un autre poste à être fortement impacté est celui des frais financiers qui passent ainsi de 3 K€ en 2019 à 5,05 M€ en 2020. En effet les différents tirages et autres augmentations de capital ont donc généré un coût financier non négligeable (restructuring des lignes de financement ASO, Yorkville et Acuitas). In fine, la perte avant impôt s'est accrue à 10,406 M€ contre seulement 0,860 M€ en 2019.

Une trésorerie en constante amélioration

En 2020, Noxxon a levé 14,5 M€ grâce à des placements privés, l'exercice des bons de souscription et le véhicule de financement ASO. Dès le début 2021, la société a réalisé un nouveau placement privé de 6,4 M€ auprès de nouveaux investisseurs institutionnels. Le 30 avril dernier, Kreos Capital et d'autres investisseurs ont converti leurs bons de souscription en actions et ainsi induit l'émission de 3 768 449 nouvelles actions ont été émises contre lesquelles Noxxon a reçu 1,2 M€. Cette opération s'est réalisée dans le cadre de l'accord de financement signé avec Kreos Capital en mai 2017. Au-delà d'accroître le capital et certes de diluer les actionnaires historiques, ces opérations accroissent la base investisseurs de la société ainsi que sa visibilité.

Avancées cliniques dans le GBM

Noxxon devrait communiquer bientôt sur les résultats cliniques de la cohorte N° 2 (dose moyenne : 400 mg / semaine) de l'essai NOX-A12 + Radiothérapie (essai GLORIA) chez des patients atteints de glioblastome. La société a par ailleurs entièrement recruté la cohorte N° 3 (600 mg / semaine) et publiera les données de référence correspondantes en novembre 2021. Cette étude dit « en escalade de doses » consiste à augmenter les doses reçus par les patients afin de vérifier 2 choses : tout d'abord l'innocuité / la tolérance d'emploi et ensuite l'effet (efficacité) du traitement à 6 mois sur le cancer du cerveau.

Les résultats en mai 2021 devraient suivre plusieurs scénarii :

- Cas 1 - Bonne sécurité et effet dose indiscutable : à savoir l'effet observé est supérieur à celui décrit lors de la 1^{ère} cohorte (scénario idéal) ;
- Cas 2 - Bonne sécurité et effet doses moins évident : à savoir l'effet observé est au moins équivalent à celui décrit lors de la 1^{ère} cohorte (scénario médian) ;
- Cas 3 - Bonne sécurité et pas d'effet dose : à savoir l'effet observé est inférieur à celui décrit lors de la 1^{ère} cohorte (scénario négatif).

Noxxon prévoit d'étendre l'une des doses de l'étude d'escalade de doses en 2021 pour obtenir des données supplémentaires sur l'innocuité et l'efficacité. Ensuite, en supposant que les données du groupe d'extension soutiennent la poursuite du développement, Noxxon lancerait en 2022 une étude pivot (NOX-A12 + radiothérapie) en première ligne chez des patients atteints d'un glioblastome 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.

Même si la dernière opération de levée de fonds induit automatiquement un léger ajustement de notre objectif de cours, les perspectives de Noxxon et le newsflow à venir (résultats, nouveaux essais cliniques) nous incitent à maintenir notre opinion Achat Fort avec un nouveau TP de 0,80 €.

2020: "a year of resilience"

Despite a slight reduction in revenues to € 147 K from € 279 K in 2019, the company continued to invest in R&D as these expenses increased by more than 90% to € 4.017 million. This increase is explained by the continuation of the Glioblastoma clinical trials and the increase in the cost of producing clinical batches of NOX-A12 and NOX-E36 for upcoming trials. Noxxon has made efforts to control its other expenses, in particular its general and administrative expenses, which have been reduced from € 2.11 million in 2019 to € 1.88 million in 2020. Another item that has been strongly impacted is financial expenses, which will increase from € 3 K in 2019 to € 5.05 million in 2020. Indeed, the various drawings and other capital increases have generated a significant financial cost (restructuring of the ASO, Yorkville and Acuitas financing lines). Therefore, the loss before tax has increased to € 10.406 million compared to only € 0.860 million in 2019.

A constantly improving cash position

In 2020, Noxxon raised € 14.5 million through private placements, exercises of warrants and the ASO financing vehicle. At the beginning of 2021, the company completed a new private placement of € 6.4 million with new institutional investors. On April 30, Kreos Capital and other investors converted their warrants into shares, resulting in the issuance of 3,768,449 new shares for which Noxxon received € 1.2 million. This transaction was carried out in the framework of the financing agreement signed with Kreos Capital in May 2017. Beyond increasing the capital and certainly diluting historical shareholders, these operations increase the company's investor base and its visibility.

Clinical advances in GBM

Noxxon should soon disclose the clinical results of cohort No. 2 (average dose: 400 mg/week) of the NOX-A12 + Radiotherapy trial (GLORIA trial) in patients with glioblastoma. The company has also fully recruited cohort No. 3 (600 mg/week) and will report out top-line related data in November 2021. This so-called "dose escalation" study consists of increasing the doses received by patients in order to verify two things: first, the safety/tolerability and second, the effect (efficacy) of the treatment at 6 months on the brain cancer.

The results in May 2021 should follow several scenarios:

- Case 1 - Good safety and indisputable dose effect: i.e., the observed effect is superior to that described in the 1st cohort (ideal scenario);
- Case 2 - Good safety and less obvious dose effect: i.e., the observed effect is at least equivalent to that described in the first cohort (median scenario);
- Case 3 - Good safety and no dose effect: i.e., the observed effect is less than that described in the first cohort (negative scenario).

Noxxon plans to expand one of the doses from the dose escalation study in 2021 to obtain additional safety and efficacy data. Then, assuming extension group data supports continued development, Noxxon would initiate in 2022 a pivotal study (NOX-A12 + radiation) in first-line patients with non-methylated MGMT glioblastoma, which is not responsive to temozolomide (reference therapy). The first market authorization application could be filed as early as 2024, with possible registration in 2025.

Even if the last fundraising operation automatically induces a slight adjustment of our price target, the outlook for Noxxon and the upcoming newsflow (results, new clinical trials) encourage us to maintain our Strong Buy opinion with a new TP of € 0.80.

Important Disclosure

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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 %

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No	No	No	No	Yes	No	Yes *

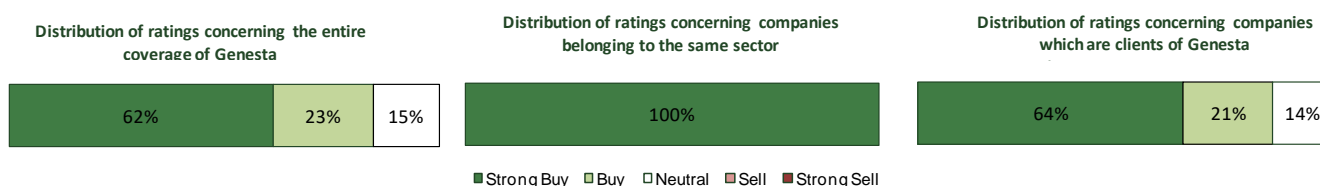
* : No material change done.

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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
12 th May 2021	Equity Flash Strong Buy	€ 0.80
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

Ratings distribution



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