

# OSE Immunotherapeutics

Operational update

## Grant to weave RNA into R&D platform

Pharma and biotech

3 August 2023

**Price** €2.93

**Market cap** €54m

€0.92/US\$

Net debt (€m) at 31 December 2022 (excluding lease liabilities) 14.7

Shares in issue 18.5m

Free float 65%

Code OSE

Primary exchange Euronext Paris

Secondary exchange N/A

OSE Immunotherapeutics (OSE) has announced that it has received grant innovation funding of €200,000 from the French government and Region Pays de la Loire. While the national backing and funding (especially in a tough macroeconomic environment) are positive developments, we view RNA therapeutics as an additional and complementary technology, albeit early-stage preclinical, to expand OSE's R&D engine platform. The RNA field has garnered significant attention and commercial success with the mass distribution during the COVID-19 pandemic and serve as a new opportunity for OSE.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/21	26.3	(17.2)	(0.95)	0.0	N/A	N/A
12/22	18.3	(18.0)	(0.97)	0.0	N/A	N/A
12/23e	15.0	(17.8)	(0.96)	0.0	N/A	N/A
12/24e	15.0	(21.9)	(1.18)	0.0	N/A	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

OSE specialises in the development of novel immunotherapies, with multiple candidates spanning various stages of its clinical pipeline. The company is also focused on establishing its R&D engine platform, which aims to utilise modern approaches in antibody engineering, data science and artificial intelligence, to advance its preclinical pipeline. OSE has [announced](#) that it has received a €200,000 grant as part of the [France 2030](#) investment plan, under the objective of producing new biomedicines against cancers and chronic diseases. Management has stated that the funding will be used to support new research into RNA therapeutics and RNA delivery methods that have recently been patented by OSE.

RNA technologies show [promise](#) for disease pathways and targets previously considered 'undruggable'. Unlike conventional medicines that target disease-associated proteins, RNA-based approaches (such as RNA interference, RNAi) prevent the production of these proteins altogether by targeting the expression of the underlying genes that make them. Such treatments have been clinically validated, with the FDA having [approved](#) five RNAi therapies to date. Further, with a projected market value of \$12bn by 2028 (according to EvaluatePharma), this could be a sizeable opportunity for the company to explore, in our view. However, we note that this will form preclinical work, and such early-stage programmes come with the regular drug development sensitivities.

In addition to expanding the scope of its preclinical portfolio, OSE also recently [announced](#) that patient enrolment is complete for the [FIRsT study](#), which is sponsored and conducted by the University Hospital of Nantes. This is a Phase I/II trial investigating monoclonal antibody asset FR-104 as a maintenance therapy in kidney transplant patients. Management plans to report safety and tolerability outcomes at one year post treatment, as well as the potential efficacy of FR-104 in acute rejection prophylaxis and renal function; these readouts may represent a significant catalyst. We note that OSE is further advancing this programme by preparing for a larger Phase II trial in partnership with Veloxis Pharmaceuticals.

### Share price performance



### Business description

OSE Immunotherapeutics is an immunotherapy company based in Nantes and Paris, France, and listed on the Euronext Paris exchange. It is developing immunotherapies for the treatment of solid tumours and autoimmune diseases and has established several partnerships with large pharma companies.

### Analysts

Soo Romanoff +44 (0)20 3077 5700

Dr Arron Aatkar +44 (0)20 3077 5700

[healthcare@edisongroup.com](mailto:healthcare@edisongroup.com)
[Edison profile page](#)

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