MagForce AG*5a,11

BUY
Target Price: €11.00
(previous TP: €11.00)

Current price: 4.06
28/04/21 / XETRA / 5:36 pm
Currency: EUR

Key information:

ISIN: DE000A0HGQF5
WKN: A0HGQF
Ticker symbol: MF6
Number of shares[3]: 28.81
Marketcap[3]: 116.95
EnterpriseValue[3]: 140.64
[3] in € million

Transparency level:
Entry Standard

Market segment:
Freiverkehr

Accounting standard:
HGB

Financial year-end: 31/12

Designated Sponsor:
Hauck & Aufhäuser
Mainfirst

Analysts:

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* catalogue of potential conflicts of interest on page 4

Date (time) of completion:
29/04/2021 (12:35)

Date (Time) first distribution:
29/04/2021 (02:00 pm)

Target price valid until:
max. 31/12/2021

Company Profile

Sector: Medical technology

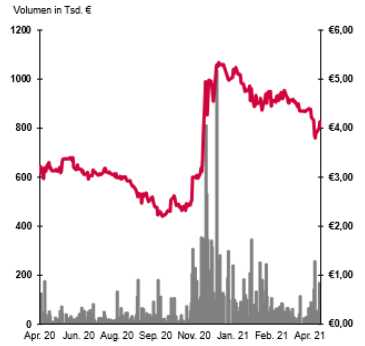
Specialty: Cancer therapy

Employees: 26 Status: 31.12.2019

Foundation: 1997

Head office: Berlin

Board of Directors: Dr. Ben J. Lipps, Christian von Volkmann



By its own account, MagForce AG, with its registered office in Berlin, is a leading company in the field of nanomedicine with a focus on cancer treatment. The NanoTherm® treatment developed by the company could be suitable for the local treatment of almost all solid tumours. The treatment is based on heat that is created by the activation of injected superparamagnetic nanoparticles. The components of this treatment, the medical devices NanoTherm® and NanoPlan® and the thermometric catheter TK01 and NanoActivator® with a thermometric unit are certified in the EU for the treatment of brain tumours. The objective of this new cancer treatment is to establish itself as a further pillar of cancer treatment alongside conventional treatment methods such as surgery, radiotherapy and chemotherapy. In addition, the MagForce technology is currently being approved for the treatment of prostate cancer in the United States. According to available data, the NanoTherm therapy displays a promising degree of effectiveness as well as being tolerated well.

P&l in EURm	2019	2020e	2021e	2022e	2023e	2024e
Sales	0.84	0.94	3.87	19.72	30.17	48.42
EBITDA	-5.56	-7.30	-5.81	3.68	7.64	17.84
EBIT	-6.20	-7.90	-6.87	2.27	5.92	15.47
Net profit before minorities	-8.73	-10.76	-10.17	-1.22	3.19	13.06

Key figures						
EV/Sales	167.43	149.62	36.34	7.13	4.66	2.90
EV/EBITDA	neg.	neg.	neg.	38.22	18.41	7.88
EV/EBIT	neg.	neg.	neg.	61.96	23.76	9.09
P/B before minorities	neg.	neg.	neg.	neg.	36.66	8.95

Financial dates
30.06.2021: Financial Report 2020

**last research published by GBC:
Date: Publication / Target Price in EUR / Rating
11.02.2021: RS / 11.00 / BUY
18.12.2020: RS / 11.00 / BUY
12.11.2020: RS / 11.00 / BUY
28.11.2019: RS / 13.50 / BUY
** the research reports can be found on our website www.gbc-ag.de or can be requested at GBC AG, Halderstr. 27, D-86150 Augsburg

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Further results of the pivotal study 2a confirm expectations, market approval in 2021 still in prospect, price target of € 11.00 and BUY rating confirmed

After MagForce AG announced the successful completion of stage 2a of the pivotal study for the treatment of prostate cancer in the USA in February 2021, the company has published additional, more concrete results on this study phase in a recent company announcement. After further analysis of the results of the 10 patients included in phase 2a, only minimal side effects were observed in the streamlined treatment procedure, thus once again confirming the good safety and tolerability profile.

However, the data on the efficacy of prostate treatment with MagForce technology are also very encouraging, according to the company. Very well-defined ablation and cell death in the area of the nanoparticle depot were observed. In treatment with MagForce technology, magnetic nanoparticles are introduced directly into the tumor and then heated, thereby destroying the cancer cells. The pivotal study 2a demonstrated that the minimally invasive procedure developed in phase 1 allows the nanoparticles to be introduced very precisely and to remain in the desired location. Ablation in the target area was very precise and there was minimal damage to the surrounding tissue (range 2-4 mm).

The promising data form a good basis for the Phase 2b registration trial, which is due to start shortly and in which patient recruitment is at an advanced stage. In this final part of the study, which is necessary for approval, the efficacy and safety of the Mag-Force technology in the treatment of prostate cancer will be demonstrated in a total of up to 100 men. This will take place at a total of three centers in the USA, in Texas, Washington and Florida. The inclusion of three treatment centers is intended to ensure a prompt readiness for operation following approval. As before, the study is expected to be completed in the second half of 2021. This is also against the backdrop of the streamlined treatment procedure developed during the approval phase 2a, which currently comprises only one day. In addition, MagForce management does not currently identify any further material pandemic delays to the further progress of the U.S. trial.

MagForce AG's current corporate announcement should be regarded as a confirmation of the results already available. There is no relevant information that would influence our revenue and earnings forecasts, which is why we are keeping them unchanged. We continue to expect that revenue from the prostate cancer treatment business should increase significantly from 2022 onwards. In the current fiscal year 2021, the company should therefore generate revenues primarily from the treatment of glioblastoma, which has already been approved in Europe. The EBITDA break-even should be reached from 2022.

We therefore maintain both our forecasts and our price target of €11.00 per share. At a share price of €4.06, we continue to assign a BUY rating.

ANNEX

I.
Research under MiFID II
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2. The research report is simultaneously made available to all interested investment services companies.

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The recommendations/ classifications/ ratings are linked to the following expectations:

BUY	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is >= + 10%.
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