MagForce AG*5a,11

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

Current price: 2.84
14/10/21 / XETRA / 5:36 pm
Currency: EUR

Key information:

ISIN: DE000A0HGQF5
WKN: A0HGQF
Ticker symbol: MF6
Number of shares[3]: 29.36
Marketcap[3]: 83.38
EnterpriseValue[3]: 114.90
[3] in € million

Transparency level:
Entry Standard

Market segment:
Freiverkehr

Accounting standard:
HGB

Financial year-end: 31/12

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* catalogue of potential conflicts of interest on page 4

Date (time) of completion:
15/10/2021 (3:04 pm)

Date (Time) first distribution:
18/10/2021 (10:00 am)

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

Company Profile

Sector: Medical technology

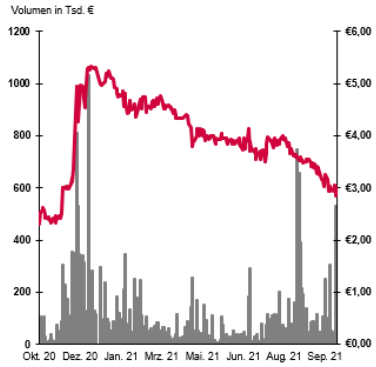
Specialty: Cancer therapy

Employees: 29 Status: 31.12.2020

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	2020	2021e	2022e	2023e	2024e	2025e
Sales	0.62	0.85	19.32	36.30	57.36	82.97
EBITDA	19.29	-7.88	6.11	11.65	23.10	39.61
EBIT	18.62	-8.66	4.84	10.14	20.90	35.95
Net profit before minorities	14.75	-12.02	0.78	5.46	15.76	33.34

Key figures						
EV/Sales	185.02	135.81	5.95	3.17	2.00	1.38
EV/EBITDA	5.96	neg.	18.81	9.86	4.97	2.90
EV/EBIT	6.17	neg.	23.72	11.33	5.50	3.20
P/B before minorities	5.65	neg.	106.61	15.28	5.29	2.50

Financial dates
28.10.2021: Half-Year Report
22.11.24.11.21: Equity-Forum

**last research published by GBC:
Date: Publication / Target Price in EUR / Rating
20.07.2021: RS / 11.00 / BUY
29.04.2021: RS / 11.00 / BUY
11.02.2021: RS / 11.00 / BUY
18.12.2020: RS / 11.00 / 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

Note on research as a "minor non-monetary benefit" according to the MiFID II regulation: This research meets the requirements for being classified as a "minor non-monetary benefit". For more information, see the disclosure under "I. Research under MiFID II"

FDA announces conditions for the final pivotal study; study expected to start in 2021 and to be completed in mid-2022; timeframe largely in line with our expectations; forecasts, price target and BUY rating confirmed

According to corporate news of 13.10.2021, MagForce AG has made significant progress in obtaining approval for the treatment of prostate cancer. The US regulatory authority FDA has notified MagForce AG of the conditions for approval of the final clinical protocol. Finally, the company has received the conditions for final approval in the USA. After timely submission of the required documentation to the FDA, the company expects to receive final approval to begin Phase 2b in November 2021.

Until the start of Phase 2b, recruitment of the required 100 patients will continue. These patients will be used to confirm the promising results and the very good safety and tolerability profile of Phase 2a, which has already been conducted. The aim of the study is to enable prostate cancer patients to remain stable for a longer period of time without external radiation or surgery. Patients with moderate dysfunction (lesions) could thus return to the so-called "active surveillance" programme, in which only close observation takes place.

Assuming prompt FDA approval, MagForce's management board expects the trial to be completed in the summer of 2022. In the course of the trial, the company will submit interim results to the FDA after treating 15 to 30 patients, so that market approval can also be obtained quickly upon completion of the trial. Should this take place in the second half of 2022, MagForce AG would be in a position to quickly enter the commercialisation phase. This is possible primarily because the treatment centres and personnel required for commercialisation are already in place to carry out the approval study. Accordingly, there is no need to build up the infrastructure. However, it is likely that the current MagForce treatment centres in Texas, Washington and Florida will be joined by additional centres as early as the 2022 financial year, enabling broader regional coverage.

Compared to our previous expectation, this results in a slight delay of two to three months. Previously (see research study dated 20 July 2021), we had expected commercialisation to begin in mid-2022, so the current approval schedule is largely in line with our expectations. Since we had assumed only low sales revenues in the prostate segment for the coming 2022 financial year anyway, we currently see no reason to adjust our forecast. With an unchanged price target of €11.00, we continue to assign a BUY rating.

ANNEX

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