Cardiol Therapeutics Inc.

Canada, USA, Germany / Biotechnology
Nasdaq, US; TSX, Canada; FSE, Germany
Bloomberg: CRDL US
ISIN: CA14161Y2006

Pipeline news

RATING	**BUY**
PRICE TARGET	**USD 8.50**
Return Potential	342.7%
Risk Rating	High

ADDING A PHASE II/III TRIAL IN RP TO EXPAND MARKET POTENTIAL

Cardiol Therapeutics (Cardiol) has announced the initiation of a phase II/III clinical trial within its development programme CardiolRx™ for the treatment of recurrent pericarditis (RP). The new pivotal study, MAVERIC-2, will target a subset of RP patients, those who discontinue interleukin-1 (IL-1) blocker therapy (i.e. third-line therapy with ARCALYST/rilonacept or KINERET/anakinra). MAVERIC-2 will target the growing proportion of patients who experience a recurrence of pericarditis after discontinuation of IL-1 blockers (up to 75% recurrence rate). CardiolRx™ represents a potentially effective, more patient-friendly and cost-effective treatment alternative for patients with dependence on IL-1 blockers. Given the high unmet medical need in this population, MAVERIC-2 could offer a potentially faster route to approval. Importantly, MAVERIC-2 will run concurrently with Cardiol's planned MAVERIC-3 without negatively impacting trial timelines and has the potential to expand the addressable market from second-line only (MAVERIC-3) to second- and third-line therapy. The company recently completed a capital increase of USD15.5m to fund the new trial and ongoing operations. The next major catalyst will be the presentation of full clinical data from the MAVERIC-Pilot phase II study in an oral presentation at the American Heart Association Scientific Sessions on 18 November 2024. We have updated our SOTP valuation model, which still yields a price target of USD8.50. We reiterate our Buy recommendation.

Multinational MAVERIC-2 phase II/III study in RP patients after discontinuation of IL-1 blockers – start planned for Q4/24 Cardiol announced plans to add a further pivotal phase III clinical trial to the development programme for its lead drug candidate, CardiolRx™. MAVERIC-2, targets patients with recurrent pericarditis (RP) after cessation of IL-1 blocker therapy (i.e. third-line therapy with ARCALYST or KINERET). This multinational, randomised, double-blind, placebo-controlled trial will investigate ~110 patients across ~20 clinical sites in the US and Europe, and is expected to start in Q4/24.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024E	2025E	2026E
Revenue (CAD m)	0.1	0.0	0.0	0.0	0.0	4.5
Y-o-y growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (CAD m)	-38.7	-41.3	-29.8	-32.2	-40.0	-35.5
EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (CAD m)	-31.6	-30.9	-28.1	-31.5	-38.8	-34.5
EPS (diluted) (CAD)	-0.73	-0.49	-0.44	-0.43	-0.46	-0.96
DPS (CAD)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (CADm)	-23.6	-27.3	-25.2	-25.2	-34.6	-33.5
Net gearing	-110.0%	-110.0%	-113.9%	-123.7%	-130.6%	-144.6%
Liquid assets (CAD m)	83.9	83.9	59.5	34.9	29.4	19.7

RISKS

Risks include, but are not limited to development, regulatory, competition and financial risks.

COMPANY PROFILE

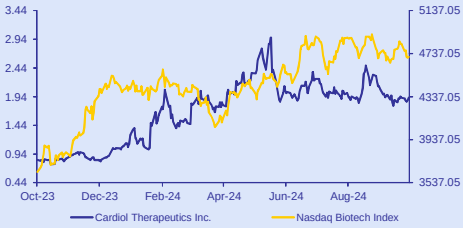
Founded in 2017, Cardiol Therapeutics Inc is a Canadian biotech company focused on the research and development of new drugs to treat heart diseases. The lead drug candidate, CardiolRx™ (cannabidiol) oral solution, is undergoing a US phase II mutli-centre open-label pilot study in 27 patients with recurrent pericarditis and a multi-national phase II study in 100 patients with acute myocarditis.

MARKET DATA

As of 25 Oct 2024	
Closing Price	USD 1.92
Shares outstanding	79.90m
Market Capitalisation	USD 153.41m
52-week Range	USD 0.76 / 2.97
Avg. Volume (12 Months)	363,872

Multiples	2023	2024E	2025E
P/E	n.a.	n.a.	n.a.
EV/Sales	n.a.	n.a.	n.a.
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2024	
Liquid Assets	CAD 24.02m
Current Assets	CAD 25.88m
Intangible Assets	CAD 0.17m
Total Assets	CAD 26.31m
Current Liabilities	CAD 10.81m
Shareholders' Equity	CAD 15.36m

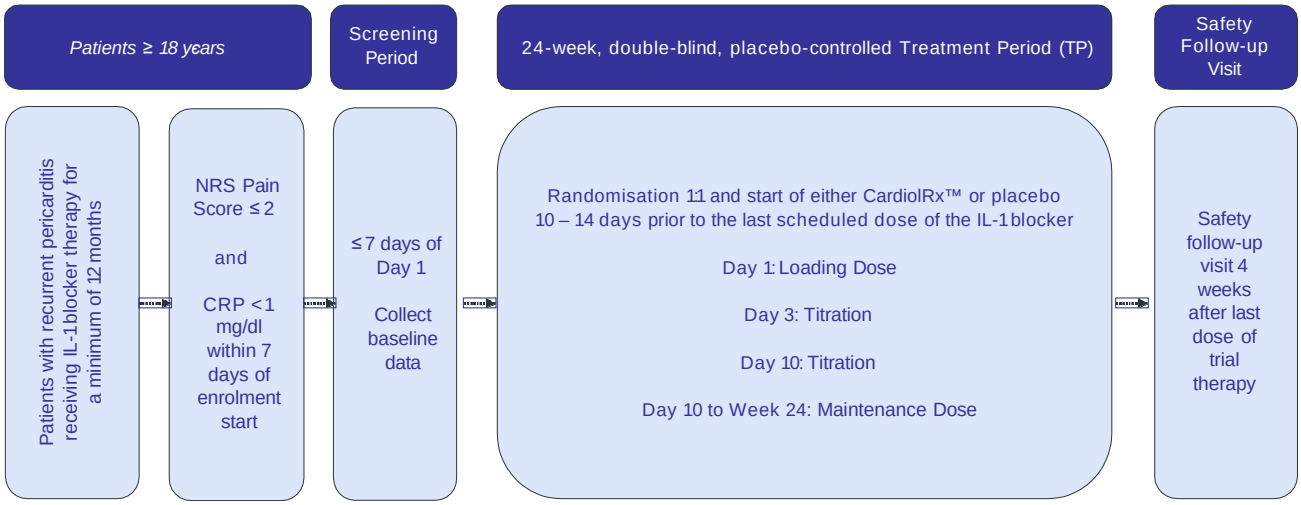
SHAREHOLDERS

Management and Directors	4.5%
Tejara Capital Ltd	2.2%
Advisorshares Investments LLC	1.8%
MMCAP International Inc	1.2%
Freefloat & others	90.3%

Analyst: Christian Orquera, Tel. +49 (0)30 - 80 93 96 90

Primary and secondary endpoints of MAVERIC-2 The MAVERIC-2 trial will focus on patients who have stable disease under IL-1 but then discontinue these expensive and immunosuppressive treatments. The primary goal is to evaluate how well CardiolRx™ prevents RP, and secondary goals include assessing time to recurrence, changes in chest pain, and inflammatory markers such as C-reactive protein – CRP (see figure 1 below).

Figure 1: Overview of the phase III MAVERIC-2 RP study design



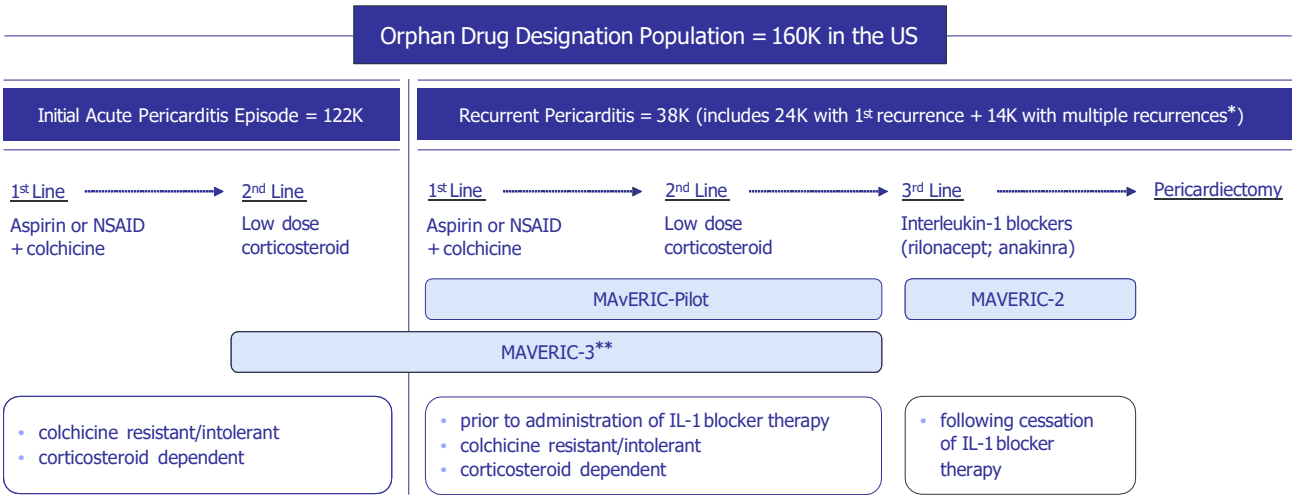
Source: First Berlin Equity Research, Cardiol Therapeutics Inc

Rationale for launching MAVERIC-2 phase II/III study in RP – It will run concurrently with MAVERIC-3 and has the potential to expand the addressable market Cardiol designed MAVERIC-2 in collaboration with an international advisory panel of pericarditis experts. MAVERIC-2 will target RP patients who have discontinued immunosuppressive IL-1 blocker therapy, namely ARCALYST/rilonacept (approved) or KINERET/anakinra (off-label), the third-line treatment for difficult cases of pericarditis. Even though IL-1 blockers are effective, they have significant drawbacks, including their high cost (list price of >USD 200k p.a.), the method of administration (injection), and in particular risk of infection as an immunosuppressant. Unfortunately, recent evidence suggests that many patients develop a dependence on IL-1 blockers and relapse after stopping the medication, with a recurrence rate of up to 75%. It is important to remember that the drug only suppresses the disease, but does not modify the underlying causes. When patients stop treatment, pericarditis recurs quickly, leaving patients in urgent need of an alternative. Given the high unmet medical need of these patients, it may be easier to recruit patients for MAVERIC-2, potentially providing a faster route to approval. MAVERIC-2 will run concurrently with Cardiol's planned MAVERIC-3 trial without negatively impacting trial timelines. In addition, MAVERIC-2 has the potential to expand the addressable market from second-line only (MAVERIC-3) to second- and third-line therapy (see figure 2 overleaf). This strategy is also expected to enhance the data for MAVERIC-3 and provide a more comprehensive understanding of CardiolRx™ in the treatment of RP.

ARCALYST/rilonacept prescriptions on the rise – The drug was administered to ~11% of the 14k target population in the US Kiniksa Pharmaceuticals updated its revenue guidance after Q2 2024, raising the expected net product revenue for ARCALYST/rilonacept to between USD405m and USD415m, an increase of ~9-12% from the previous range of USD370m to USD390m. This adjustment reflects ARCALYST's strong sales momentum, (90% Y/Y revenue growth in Q2/24). Since launch in April 2021, >2,300 patients or ~11% of the 14k US patients with multiple recurrences of pericarditis have been treated with ARCALYST. These patients have average treatment duration of about 26 months,

highlighting the long-term dependency on the drug due to its disease-suppressing nature. We therefore believe CardiolRx™ represents a potential cost-effective alternative for immunosuppressive IL-1 blocker therapy.

Figure 2: Strategic positioning of the MAVERIC-2 and MAVERIC-3 RP studies



***** *Among patients with ≥2 recurrence; median disease duration ~3 years and 1/3 patients still impacted at 5 years*

****** *In final planning stage. Subject to applicable regulatory approvals and final study design*

Source: First Berlin Equity Research, Cardiol Therapeutics Inc

Capital increase secured funding of USD15.5m for the MAVERIC-2 phase II/III study As at 30 June 2024, the company had cash and cash equivalents of CAD24.0m. In addition, Cardiol recently completed a successful public offering, raising gross proceeds of USD13.5m through the sale of 8.4m shares at a price of USD1.60 per share. Furthermore, Canaccord Genuity, the sole bookrunner for the offering, exercised its over-allotment option, purchasing an additional 1.27m shares. This brought the total gross proceeds to USD15.5m. The funds will be primarily used to support the clinical development of CardiolRx™ (MAVERIC-2), as well as for general corporate expenses and working capital.

Full data from the MAVERIC-Pilot phase II study due on 18 November 2024 – we also expect further details on the upcoming MAVERIC-3 study design The next major catalyst for Cardiol will be the presentation of full clinical data from the MAVERIC-Pilot phase II study in an oral presentation at the Laennec Clinician-Educator Award & Lecture, on Monday, 18th November, 2024, at 16:45 p.m. CET, at the American Heart Association Scientific Sessions. We will be looking at the effects of CardiolRx™ in RP patients after 8 weeks of treatment, including additional data from the extension period which include CardiolRx™ treatment up to 26 weeks. The results will include additional endpoints such as freedom from pericarditis recurrence during the 18-week extension period, 26-week pericarditis pain score and inflammatory marker levels (C-reactive protein), as well as safety and tolerability outcomes. Following the reporting of these results, we expect that Cardiol will publish relevant information and details on MAVERIC-3.

Proof of concept multinational phase II study in 100 acute myocarditis (AM) patients on track to report headline results in early 2025 Cardiol is conducting a phase II proof of concept study (named ARCHER) to investigate the safety, tolerability and efficacy of CardiolRx™ in 100 AM patients at major cardiac centres in North America, Europe, and Israel. Cardiol reached its target of enrolling the 100 patients by 24 September 2024. Given that the primary endpoint of the trial will be the assessment of patients by magnetic resonance imaging after 12 weeks of double-blind therapy, the company is on track to report headline results in early 2025.

We have updated our estimates for 2024 and subsequent years to reflect the addition of MAVERIC-2 In light of Cardiol's decision to conduct a further phase III trial in RP, we have updated our financial forecasts for 2024 and the following years. We have increased our OPEX assumptions for 2024-2026. Changes to our forecasts are summarised in table 1 below.

Table 1: Changes to our forecasts (KPIs)

	2024E			2025E			2026E		
Figures in CAD'000	**old**	**new**	**Delta**	**old**	**new**	**Delta**	**old**	**new**	**Delta**
Revenue	0	0	-	0	0	-	4,510	4,510	*0%*
OPEX	24,000	32,200	*34%*	19,000	40,000	*111%*	17,516	40,000	*128%*
EBIT	-24,000	-32,200	-	-19,000	-40,000	-	-13,006	-35,490	-
Net financial result	450	1,600	*256%*	150	1,200	*700%*	50	1,000	*1900%*
Non-operating income/expenses	0	-900	-	0	0	-	0	0	-
Net income	-23,700	-31,500	-	-18,900	-38,800	-	-12,956	-34,490	-

Source: First Berlin Equity Research

VALUATION MODEL

Buy rating and price target confirmed Following positive headline results from the MAVERIC-Pilot phase II study published in June 2024 (see details in the Appendix), and in particular evidence that the drug can treat inflammation which is the underlying cause of RP and AM, we see positive prospects for CardiolRx™ in these two indications. These compelling results underpin the company's decision to conduct a phase II/III study, MAVERIC-2, targeting a more difficult-to-treat subset of RP patients, namely those who discontinue IL-1 blocker therapy, with the aim of expanding the drug's market opportunity and potentially accelerating time to market. We expect positive CardiolRx™ data from the MAVERIC-Pilot phase II study in RP (28 November), and the multinational phase II ARCHER study in AM (early 2025) to add substantial value to the company and trigger strong share price appreciation. We have updated our sum-of-the-parts valuation model. The negative stock dilution effect from the capital required to finance the new MAVERIC-2 trial (start in Q4/24) and ongoing operations is roughly offset by the value resulting from the potential expansion of the addressable RP market. Our SOTP model still yields a price target of USD8.50. We maintain our Buy rating on Cardiol.

Table 2: "Sum-of-the-parts" valuation model

Compound	Project[1]	Present Value	Patient Pop (K)	Treatment Cost (USD)	Market Size (USDM)	Market Share (%)	Peak Sales (USDM)	PACME Margin[2] (%)	Discount Factor (%)	Market Exclusivity[3] (years)	Time to Market (years)
CardiolRx™	RP - US	USD 452.2M	40K	52,000	2,080.0M	24%	632.4M	30%	16.0%	7	3
CardiolRx™	RP - EU	USD 242.2M	72K	€18,000	1,296.0M	24%	379.2M	30%	16.0%	7	3
CardiolRx™	AM - US	USD 125.4M	54K	52,000	2,808.0M	18%	652.1M	20%	16.0%	7	5
CardiolRx™	AM - EU	USD 47.3M	72K	18,000	1,296.0M	18%	322.9M	20%	16.0%	7	5
PACME PV		USD 867.2M			7,480.0M		1,986.5M				
Costs PV[4]		USD 90.0M									
NPV		USD 777.2M									
Milestones PV		USD 0.0M									
Net cash (proforma)		USD 63.8M									
Fair Value		USD 841.0M									
Share Count (proforma)		98,581K									
Price Target		USD 8.50									
Price Target		EUR 7.90	(based on EUR-USD exchange rate of 1.08)								

1) A project typically refers to a specific indication or, where necessary or relevant, a combination between indication and geographic market

2) PACME (Profit After Costs and Marketing Expenses) reflects the company's profit share on future revenues. This share may be derived in the form of royalties (outsourced marketing/manufacturing) or operating EBITDA margin (in-house model), or some mix of both (depending on the specific parameters of partnership agreements)

3) Remaining market exclusivity after the point of approval

4) Includes company-level R&D, G&A, Financing Costs and CapEx; COGS and S&M are factored into the PACME margin for each project

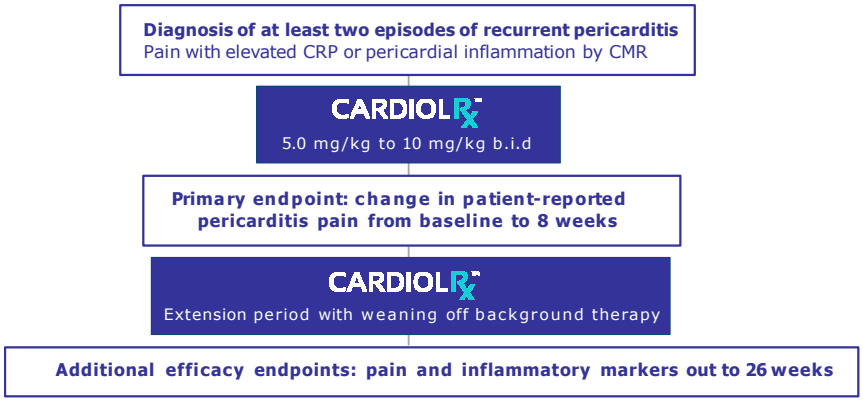
Table 3: Changes to SOTP model assumptions

Estimates			old	new
CardiolRx™	RP - US	Market share (%)	18%	24%
CardiolRx™	RP - EU	Market share (%)	18%	24%
CardiolRx™	RP - US	Present value (PV)	USD 325.8M	USD 452.2M
CardiolRx™	RP - EU	Present value (PV)	USD 176.5M	USD 242.2M
Costs PV			USD 65.7M	USD 90.0M
Net cash (proforma)			USD 43.9M	USD 63.8M
Fair Value			USD 653.3M	USD 841.0M
Share Count (proforma)			76,830K	98,581K
Price Target			USD 8.50	USD 8.50

APPENDIX

MAVERIC-PILOT RP STUDY – HEADLINE RESULTS

Figure 3: Overview of the phase II MAVERIC-Pilot RP study design



Source: First Berlin Equity Research, Cardiol Therapeutics Inc

The primary endpoint: CardiolRx™ achieved a substantial reduction in pericarditis pain measured with the NRS, which is comparable to rilonacept The patients treated with CardiolRx™ achieved a mean reduction of 3.7 points from 5.8 at baseline (range of 4 to 10) to 2.1 (range of 0 to 6) at 8 weeks. Importantly, CardiolRx™'s performance is very similar to that of the immunosuppressive biologic therapy rilonacept (Arcalyst®) in its phase II pilot and phase III trials, which is FDA-approved and is used as a third-line treatment of RP. We give an overview of these results in table 4 below.

Table 4: Patient-reported pericarditis pain: CardiolRx™ versus rilonacept

n=27	Baseline	Week 8	Difference±	rilonacept	Mean Difference±
Mean	5.8	2.1	-3.7	Phase II (n=9)	-3.8 (EoTPδ)
Range	4.0 - 10.0	0.0 - 6.0		Phase III (n=82)	-3.9 (Week 8)
				Baseline NRS scores for both Phase II and Phase III trials was 4.5	

*numerical rating scale (NRS) is a validated 11-point instrument used to assess patient-reported pericarditis pain. Zero represents "no pain at all" whereas the upper limit of 10 represents "the worst pain ever possible".
± Negative value indicates an improvement in CRP.
δ End of Treatment Period (~Week 6/8)
Rilonacept trial references:
* Klein AL, Lin D, Cremer PC, *et al*. Efficacy and safety of rilonacept for recurrent pericarditis: results from a phase II clinical trial. *Heart.* Published online November 23, 2020. doi:10.1136/heartjnl-2020-317928
* Klein AL, Imazio M, Cremer P, *et al*. Phase 3 trial of Interleukin-1 Trap Rilonacept in Recurrent Pericarditis. *N Engl J Med.* 2021; 384 (1):31-412.doi:10.1056/NEJMoa2027892

Source: First Berlin Equity Research, Cardiol Therapeutics Inc, Allan Klein et al, 2021- phase II & phase III studies

Secondary endpoint of inflammation, as measured by CRP at 8 weeks, also showed positive results CardiolRx™ also led to a normalisation of inflammation, as measured by C-reactive protein (CRP) in 80% of patients who took part in the study whose CRP was elevated at baseline. Importantly, 89% of patients have continued into the 18-week extension phase of the study which demonstrates CardiolRx™ is well-tolerated and that they are satisfied with the pain relief achieved. We give an overview of the CRP results compared to rilonacept (Arcalyst®) in table 5 overleaf.

Table 5: C-reactive protein: CardiolRx™ versus rilonacept

	Baseline	Week 8	Difference*	rilonacept	Mean Difference
Mean	5.71	0.31	-5.39	Phase II	-4.24 (EoTP)
				Phase III (n=82)	-3.48 (Week 6)

Baseline CRP values: Phase II = 4.62; Phase III = 3.7

*Negative value indicates an improvement in CRP.

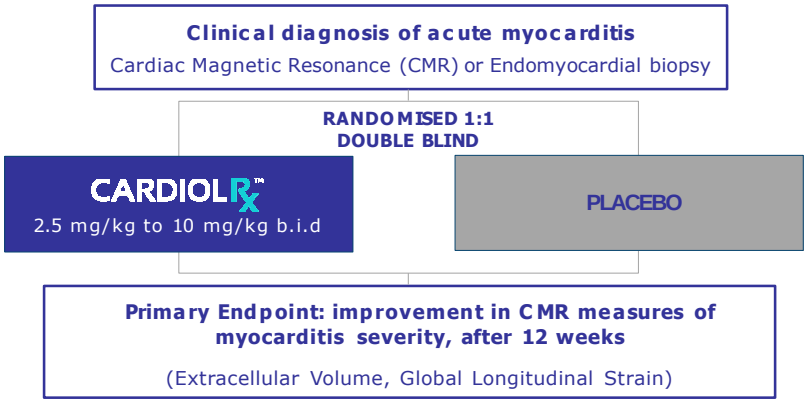
Rilonacept trial references:

- Klein AL, Lin D, Cremer PC, *et al.* Efficacy and safety of rilonacept for recurrent pericarditis: results from a phase II clinical trial. *Heart.* Published online November 23, 2020. doi:10.1136/heartjnl-2020-317928.
- Klein AL, Imazio M, Cremer P, *et al.* Phase 3 Trial of Interleukin-1 Trap Rilonacept in Recurrent Pericarditis. *N Engl J Med*. 2021;384(1):31-41. doi:10.1056/NEJMoa2027892.

Source: First Berlin Equity Research, Cardiol Therapeutics Inc, Allan Klein et al, 2021- phase II & phase III studies

ARCHER ACUTE MYOCARDITIS (AM) STUDY DESIGN

Figure 4: CardiolRx™ phase II *ARCHER* acute myocarditis study design



Source: First Berlin Equity Research, Cardiol Therapeutics Inc

INCOME STATEMENT

All figures in CAD '000	2021	2022	2023	2024E	2025E	2026E
Revenue	**79**	**0**	**0**	**0**	**0**	**4,510**
Cost of goods sold	0	0	0	0	0	0
Gross profit	79	0	0	0	0	4,510
General & Administrative	-27,873	-22,374	-15,561	-20,000	-20,000	-20,000
Research & Development	-10,870	-18,962	-14,224	-12,200	-20,000	-20,000
Total operating expenses (OPEX)	**-38,744**	**-41,336**	**-29,786**	**-32,200**	**-40,000**	**-40,000**
Operating income (EBIT)	**-38,664**	**-41,336**	**-29,786**	**-32,200**	**-40,000**	**-35,490**
Net financial result	1,998	4,000	1,326	1,600	1,200	1,000
Non-operating income/expenses	5,029	6,406	331	-900	0	0
Pre-tax income (EBT)	**-31,638**	**-30,931**	**-28,128**	**-31,500**	**-38,800**	**-34,490**
Income taxes	0	0	0	0	0	0
Net income / loss	**-31,638**	**-30,931**	**-28,128**	**-31,500**	**-38,800**	**-34,490**
Diluted EPS (CAD)	**-0.73**	**-0.49**	**-0.44**	**-0.43**	**-0.46**	**-0.96**
Ratios						
EBIT Margin on Revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net Margin on Revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Expenses as % of OPEX						
General & Administrative	71.9%	54.1%	52.2%	62.1%	50.0%	50.0%
Research & Development	28.1%	45.9%	47.8%	37.9%	50.0%	50.0%
Y-Y Growth						
Revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Operating income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income/ loss	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

BALANCE SHEET

All figures in CAD '000	2021	2022	2023	2024E	2025E	2026E
Assets						
Current Assets, Total	**87,140**	**61,438**	**36,153**	**30,908**	**21,547**	**13,080**
Cash and cash equivalents	83,899	59,470	34,932	29,388	19,727	11,160
Accounts receivables	407	480	280	320	420	420
Inventories	0	0	0	0	0	0
Other current assets	2,834	1,488	941	1,200	1,400	1,500
Non-Current Assets, Total	**736**	**591**	**547**	**387**	**265**	**240**
Property plant and equipment	356	296	337	261	223	198
Intangible assets	379	295	210	126	41	41
Total Assets	**87,876**	**62,029**	**36,701**	**31,296**	**21,812**	**13,319**
Shareholders' Equity & Debt						
Current Liabilities, Total	**11,565**	**9,805**	**8,295**	**8,656**	**8,045**	**8,116**
Accounts payable	4,859	9,334	8,041	7,639	7,028	7,099
Derivative liabilities	6,661	420	238	1,000	1,000	1,000
Other current liabilities	45	50	16	16	17	18
Longterm Liabilities, Total	**73**	**22**	**159**	**140**	**123**	**110**
Other liabilities	73	22	159	140	123	110
Shareholders Equity	**76,238**	**52,202**	**28,247**	**22,500**	**13,643**	**5,093**
Total Consolidated Equity and Debt	**87,876**	**62,029**	**36,701**	**31,296**	**21,812**	**13,319**
Ratios						
Current ratio (x)	7.53	6.27	4.36	3.57	2.68	1.61
Quick ratio (x)	7.53	6.27	4.36	3.57	2.68	1.61
Net gearing	-110.0%	-113.9%	-123.7%	-130.6%	-144.6%	-219.1%
Book value per share (€)	1.76	0.84	0.44	0.31	0.16	0.06
Net debt	-83,899	-59,470	-34,932	-29,388	-19,727	-11,160
Equity ratio	86.8%	84.2%	77.0%	71.9%	62.6%	38.2%

CASH FLOW STATEMENT

All figures in CAD '000	2021	2022	2023	2024E	2025E	2026E
Net income	**-31,638**	**-30,931**	**-28,128**	**-31,500**	**-38,800**	**-34,490**
Interest, net	-1,998	-4,000	-1,326	-1,600	-1,200	-1,000
Tax provision	0	0	0	0	0	0
Non-operating items	-5,029	-6,406	-331	900	0	0
EBIT	**-38,664**	**-41,336**	**-29,786**	**-32,200**	**-40,000**	**-35,490**
Depreciation and amortisation	220	220	248	240	232	182
EBITDA	**-38,444**	**-41,116**	**-29,537**	**-31,960**	**-39,768**	**-35,308**
Derivative liability	-4,916	-6,241	-182	762	0	0
Share & warrant based payments	12,694	6,894	4,173	4,200	4,000	0
Changes in working capital	77	5,748	-546	-700	-910	-29
Cash interest net	1,998	4,000	1,326	1,600	1,200	1,000
Other adjustments	5,052	3,495	-415	1,000	1,000	1,000
Operating cash flow	**-23,540**	**-27,220**	**-25,180**	**-25,098**	**-34,478**	**-33,337**
CapEx	-13	-75	-64	-80	-110	-157
Free cash flow	**-23,553**	**-27,295**	**-25,245**	**-25,178**	**-34,588**	**-33,494**
Other investments	0	0	0	0	0	0
Cash flow from investing	**-13**	**-75**	**-64**	**-80**	**-110**	**-157**
Debt Financing, net	0	0	0	0	0	0
Equity Financing, net	93,489	0	0	19,708	25,000	25,000
Other financiing activities	2,785	-54	-55	-73	-74	-73
Cash flow from financing	**93,438**	**-54**	**-55**	**19,635**	**24,926**	**24,927**
Net cash flows	**69,885**	**-27,349**	**-25,300**	**-5,543**	**-9,662**	**-8,567**
Cash, start of the year	14,025	83,899	59,470	34,932	29,388	19,727
Impact of exchange rates on cash	-11	2,920	762	0	0	0
Cash, end of the year	**83,899**	**59,470**	**34,932**	**29,388**	**19,727**	**11,160**

Y-Y Growth						
Operating Cashflow	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Free cashflow	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

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The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy[1]	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

[1] The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	11 April 2023	USD0.51	Buy	USD3.60
2	24 May 2023	USD0.68	Buy	USD3.60
3	30 August 2023	USD0.98	Buy	USD3.60
4	19 January 2024	USD1.06	Buy	USD3.60
5	27 February 2024	USD1.76	Buy	USD3.60
6	14 June 2024	USD2.36	Buy	USD8.50
7	Today	USD1.92	Buy	USD8.50

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