Cardiol Therapeutics Inc.

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

CardiolRx™ phase II results in recurrent pericarditis (RP)

RATING	**BUY**
PRICE TARGET	**USD 8.50**
Return Potential	438.0%
Risk Rating	High

CARDIOLRX SHOWN TO BE AN EFFECTIVE MONOTHERAPY IN PHASE II RP TRIALS

Cardiol Therapeutics (Cardiol) announced excellent final data including data for the extension period (EP) from the phase II open-label pilot US study (MAvERIC-Pilot) of its lead drug candidate CardiolRx™ for the treatment of recurrent pericarditis (RP) in 27 patients. The findings were presented at the American Heart Association Scientific Sessions 2024 by one of the lead investigators, Dr S. Allen Luis, Co-Director of the Pericardial Diseases Clinic at the Mayo Clinic. The data showed that the significant improvements in both pericarditis pain and inflammation seen in the reported results of the primary endpoint at 8 weeks were maintained throughout the 26-week EP of the study. Importantly, during the EP, where patients transitioned from combination therapy (CardiolRx™ plus standard of care) to CardiolRx™ monotherapy, 71% remained free from recurrence, demonstrating the drug candidate's efficacy. Overall, the treatment was well tolerated, with 89% of participants completing the study and adherence reported at 95%. These findings clearly support the progression of CardiolRx™ into phase II/III MAvERIC-2 and phase III MAvERIC-3 trials, positioning it as a promising, non-immunosuppressive therapeutic option for patients with RP. We thus expect the company to report positive headline results from the phase II study for acute myocarditis (AM) by early 2025. We believe that investors have overlooked the significant recent progress made in Cardiol's pipeline, which has left the company significantly undervalued at current levels. We reiterate our Buy recommendation at an unchanged price target of USD8.50.

New data focuses on the 18-week extension period, looking at how CardiolRx™ performs as a monotherapy Cardiol has released new 18-week extension period results from its phase II MAvERIC-Pilot study of CardiolRx™, building on the 8-week primary endpoint data published in June. The earlier findings showed that the product achieved the primary endpoint through rapid reductions in pericarditis pain and inflammation, with significant improvement in patient-reported pain scores and normalisation of inflammatory markers by the end of the initial treatment period. Moreover, this data showed that… (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	-39.2	-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	-38.5	-38.8	-34.5
EPS (diluted) (CAD)	-0.73	-0.49	-0.44	-0.53	-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

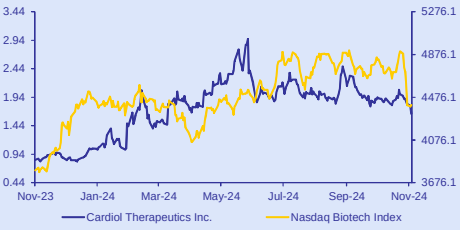
Founded in 2017, Cardiol Therapeutics Inc is a Canadian biotech company focused on the research and development of new drugs to treat heart diseases. The lead drug candidate, CardiolRx (cannabidiol) oral solution, is being evaluated in the MAVERIC clinical programme for recurrent pericarditis and the ARCHER clinical programme for acute myocarditis.

MARKET DATA

As of 21 Nov 2024	
Closing Price	USD 1.58
Shares outstanding	81.60m
Market Capitalisation	USD 128.93m
52-week Range	USD 0.81 / 2.97
Avg. Volume (12 Months)	387,310

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

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2024	
Liquid Assets	CAD 15.89m
Current Assets	CAD 17.28m
Intangible Assets	CAD 0.00m
Total Assets	CAD 17.52m
Current Liabilities	CAD 6.95m
Shareholders' Equity	CAD 10.43m

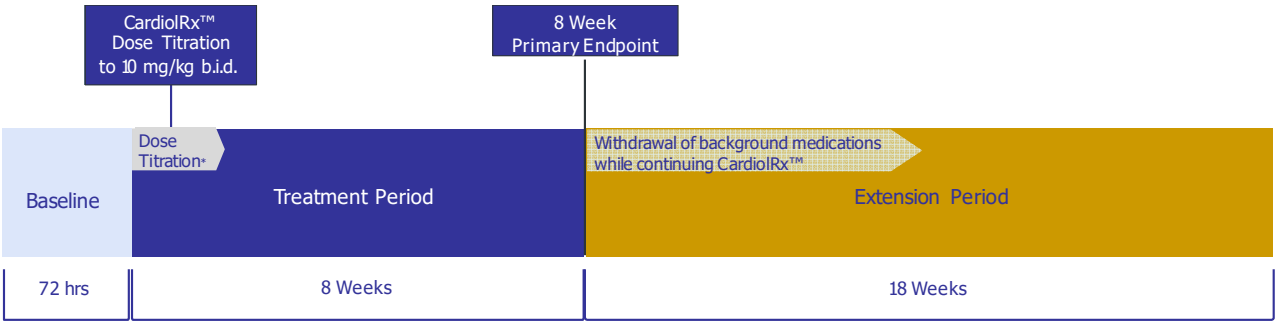
SHAREHOLDERS

Management and Directors	4.5%
Tejara Capital Ltd	2.2%
Advisorshares Investments LLC	1.8%
MMCAP International Inc	1.2%
Freefloat & others	90.5%

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

… CardiolRx™'s performance is very similar to that of the immunosuppressive biologic therapy rilonacept (Arcalyst®) in phase II/III trials, which is FDA- approved and is used as a third-line treatment of RP (see more details on the headline results in the Appendix and our note of 13 June 2024). The new MAvERIC-Pilot study findings were shared during an oral presentation at the American Heart Association Scientific Sessions 2024 by Dr. S. Allen Luis, Co-Director of the Pericardial Diseases Clinic and Associate Professor of Medicine at the Mayo Clinic. The newly presented data focuses on the extension period, in which these improvements were sustained, and patients were transitioned to CardiolRx™ monotherapy after tapering off other medications.

Figure 1: Overview of the US phase II MAvERIC-Pilot RP study design



Source: First Berlin Equity Research, Cardiol Therapeutics Inc

Further details on the patient's demographics The MAvERIC-Pilot study enrolled 27 participants (average age 53 years; 67% female) across eight clinical sites in the United States. The patient population had a significant disease burden, with an average disease duration of 2.7 years and an average of 5.8 pericarditis episodes per year prior to enrolment. Baseline pericarditis pain scores averaged 5.8 out of 10, indicating moderate to severe pain levels, and C-reactive protein (CRP) levels averaged 2.0 mg/dL, reflecting elevated systemic inflammation. During the initial 8-week treatment period, CardiolRx™ was added to patients' stable doses of baseline medications, which included colchicine (85% of patients), non-steroidal anti-inflammatory drugs such as aspirin or ibuprofen (NSAIDs: 78%), and corticosteroids (41%). CardiolRx™ dosing was up-titrated to 10 mg/kg twice daily or the maximum tolerated dose within the first 10 days. In the subsequent 18-week extension period, patients were gradually weaned off their baseline medications to evaluate the efficacy and safety of CardiolRx™ as monotherapy.

Table 1: Patient demographic and clinical characteristics at baseline

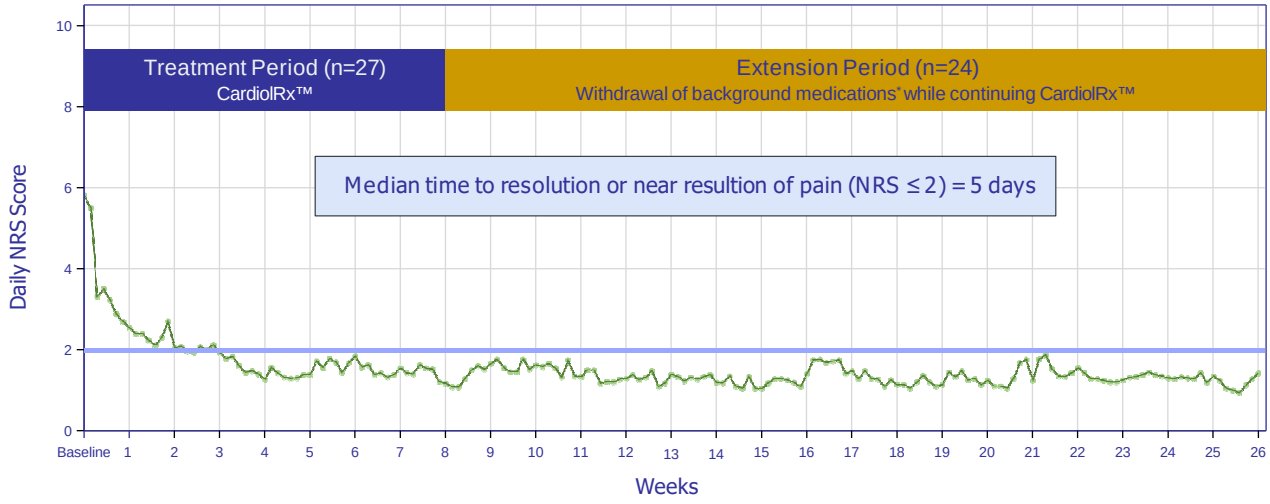
Characteristic	n=27
Age	mean 52.7; median 54.0 (24.0-77.0)
Sex	female 18 (66.7%); male 9 (33.3%)
Race / Ethnicity	White 27 (100%) / non-Hispanic or Latino 27 (100%)
Medications used to treat pericarditis – no. (%)	NSAID 21 (77.8 %); colchicine 23 (85.2%); glucocorticoid 11 (40.7%)
Number of previous episodes of pericarditis – no. (%)	2-episodes 9 (33.3%); 3-episodes 9 (33.3%); ≥4-episodes 9 (33.3%)
Duration of disease – yr (mean)	2.69 years
Pericarditis events (per year)	5.8
Pain score according to the NRS scale 0-10 (mean)	5.8 (maximum in prior w eek)
C-reactive protein – mg/dL (mean; (SD))	2.0 (4.9)
Manifestation of pericarditis in qualifying episode – no. (%)	Pericardial effusion 21 (77.8%); pericardial rub 4 (14.8%); ST-segment elevation or PR depression 5 (18.5%)

Source: First Berlin Equity Research, Cardiol Therapeutics Inc

The results demonstrated a clinically meaningful rapid and sustained reduction in pericarditis pain, … The median time to resolution or near resolution of pain, defined as a pain score of ⩽2 on a 0 – 10 numerical rating scale, was just 5 days following the initiation of CardiolRx™ treatment. By week 8, the mean pain score had decreased from 5.8 at

baseline to 2.1, representing a mean reduction of 3.7 points. This improvement was not only maintained but further enhanced during the extension period, with the mean pain score decreasing to 1.5 by week 26, resulting in a total mean reduction of 4.3 points from baseline (see figure 2 below).

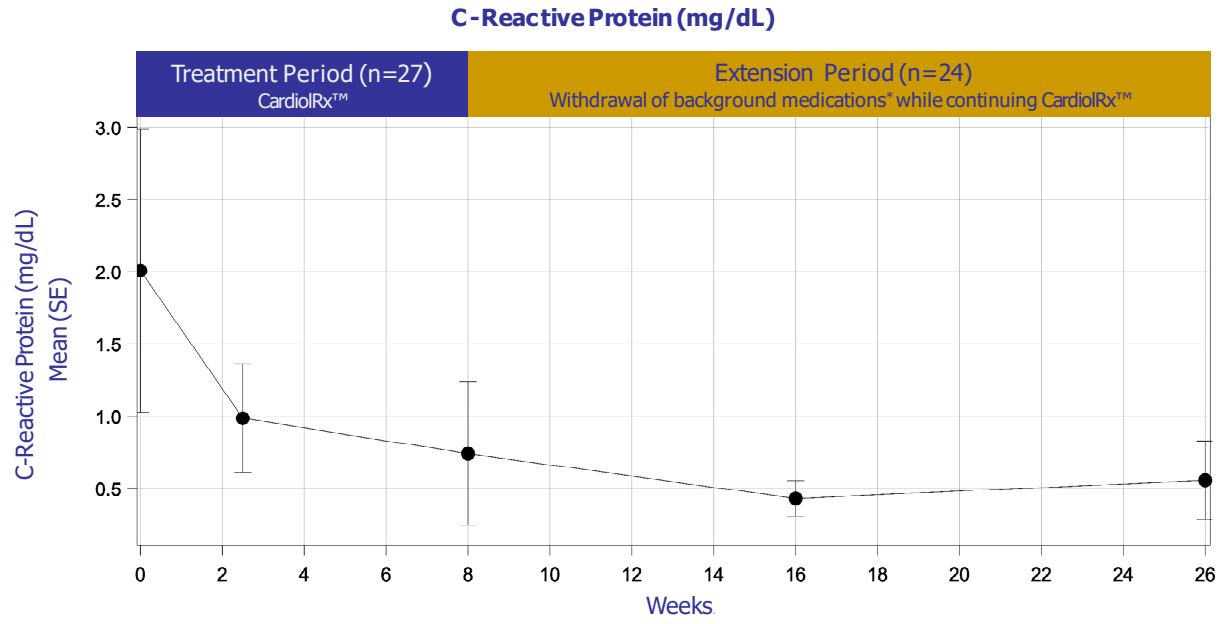
Figure 2: Mean daily NRS score over the study period



Source: First Berlin Equity Research, Cardiol Therapeutics Inc

…inflammation markers also showed significant improvements CRP levels, an indicator of systemic inflammation, normalised (⩽0.5 mg/dL) by week 8 in 80% of the 10 patients who had elevated CRP levels (⩾1 mg/dL) at baseline. The mean CRP levels for these patients decreased substantially from 5.7 mg/dL to 0.3 mg/dL. For the entire study population, mean CRP levels decreased from 2.0 mg/dL at baseline to 0.74 mg/dL at week 8 and further to 0.55 mg/dL at week 26. The median time to CRP normalisation was 21 days, indicating a relatively quick anti-inflammatory response to CardiolRx™.

Figure 3: Reduction in C-reactive protein over the whole study



Source: First Berlin Equity Research, Cardiol Therapeutics Inc

During the extension, 71% of patients remained free of recurrence after discontinuing baseline medications Importantly, freedom from recurrence was maintained in 71% of patients during the extension period when CardiolRx™ was continued as monotherapy after weaning off other medications. For those who did experience a recurrence, the median time to an episode was 7.7 weeks during the extension period. Additionally, the annualised number of pericarditis episodes was markedly reduced from 5.8 prior to the study to 0.9 during the trial, highlighting the potential of CardiolRx™ to significantly reduce the frequency of pericarditis recurrences.

Table 2: CardiolRx™ – reduction of events per year

CardiolRx™ (n=27)	
Events per year of pericarditis prior to the study	Events per year of pericarditis during the study
5.8	0.9

When weaned to CardiolRx™ monotherapy freedom from recurrence during the extension period was maintained in 71% of patients (17/24) and the median time to recurrence was 7.7 weeks

Source: First Berlin Equity Research, Cardiol Therapeutics Inc

CardiolRx™ was found to be safe and well tolerated throughout the study 89% of patients (24 out of 27) progressed to the extension period, and overall study drug compliance was reported at 95%. No significant safety concerns were reported, indicating a favourable safety profile for CardiolRx™ in this patient population with significant disease burden.

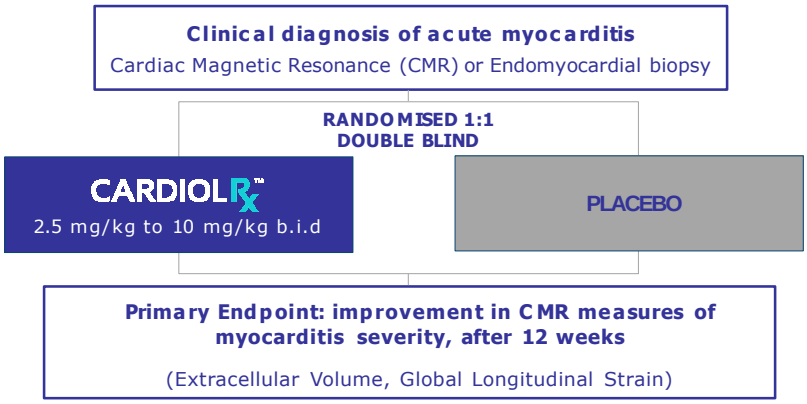
Management's decision to advance the RP programme into the recently announced phase II/III MAvERIC-2 trial as well as the planned MAvERIC-3 phase III trial is warranted in our view The study results highlight CardiolRx™'s ability to provide rapid and sustained symptom relief while reducing reliance on baseline medications. These findings support the progression of CardiolRx™ into phase II/III (MAvERIC-2) and phase III (MAvERIC-3) trials, positioning it as a promising, non-immunosuppressive therapeutic option for patients with RP. The extension period further underscores the drug's potential for long-term management of the condition, maintaining clinical benefits as monotherapy. We recall that the upcoming MAvERIC-2 trial will evaluate the impact of CardiolRx™ in recurrent pericarditis patients following cessation of interleukin-1 blocker therapy (see our note of 28 October). Concurrently, the MAvERIC-3 trial will assess CardiolRx™ for the prevention of pericarditis recurrence in a broader patient population (we anticipate more details on MAvERIC-3 within the next few weeks). Undertaking both trials in parallel provides the opportunity for CardiolRx™ to address the unmet needs of patients in multiple segments which encompass a broad proportion of the pericarditis population.

We believe results underscore a high probability that that the oral drug candidate CardiolRx™ could be used as second-line and third-line therapy Following these results, we see a high probability that, subject to successful MAvERIC-2 and MAvERIC-3 trials and drug approval, CardiolRx™ with its attractive efficacy and safety profile, will be used as a second-line and third-line therapy. Even though the IL-1 blockers ARCALYST®/rilonacept (approved) or KINERET/anakinra (off-label) 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 they are immunosuppressants.

Proof of concept multinational, placebo-controlled phase II study in 100 acute myocarditis (AM) patients on track to report headline results in early 2025 – we expect positive outcomes 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 United States, Canada, France, Brazil 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. Following the positive results achieved with CardiolRx™ in the RP indication, we see a good chance of also achieving positive results in the AM indication, as both diseases are caused by inflammation.

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



Source: First Berlin Equity Research, Cardiol Therapeutics Inc

KPI OVERVIEW OF 9M/24 RESULTS

Cost base increased substantially in 9M/24, due largely to non-cash share-based compensation The company reported EBIT of CAD-30.3m (9M/23: CAD-21.8m). The substantial OPEX expansion YoY chiefly reflects higher general & administrative expenses of CAD20.5m (9M/23: CAD11.6m), of which CAD11.1m were non-cash expenses for share-based compensation (9M/23: CAD3.1m). The net result came in at CAD-28.5m (9M/23: CAD-20.5m). However, operating cash flow totalled only CAD-19.5m (9M/23: CAD-18.7m).

Cash down to CAD15.9m Cardiol's cash position declined to CAD15.9m at the end of 9M/24 (YE/23: CAD34.9m), due to funding of ongoing operations. However, the recent capital increase secured funding of USD15.5m, puts Cardiol's cash position at CAD34.0m as of 11 November 2024. The funds will be primarily used to support the clinical development of CardiolRx™ (MAvERIC-2 phase II/III study), as well as for general corporate expenses and working capital.

Revising financial forecasts for 2024 following 9M/24 results In the light of Cardiol's higher OPEX in 9M/24, we have increased our OPEX forecasts for 2024 to CAD39.2m (previously: CAD32.2m). We have assumed that administrative expenses and share-based compensation have increased by CAD7.0m, so this adjustment is cash neutral. Changes to our forecasts are summarised in table 3 below.

Table 3: 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	32,200	39,200	*22%*	40,000	40,000	*0%*	40,000	40,000	*0%*
EBIT	-32,200	-39,200	-	-40,000	-40,000	-	-35,490	-35,490	-
Net financial result	1,600	1,600	*0%*	1,200	1,200	*0%*	1,000	1,000	*0%*
Non-operating income/expenses	-900	-900	-	0	0	-	0	0	-
Net income	-31,500	-38,500	-	-38,800	-38,800	-	-34,490	-34,490	-

Source: First Berlin Equity Research

VALUATION MODEL

Buy rating and price target confirmed The new data from the 18-week extension period of the MAvERIC-Pilot phase II study demonstrates that CardiolRx™ provides sustained clinical benefits in patients with recurrent pericarditis. The marked reductions in pain and inflammation were maintained throughout the 26-week study, and the therapy was well tolerated. These findings support the advancement of CardiolRx™ into phase III clinical trials and the conduction of an additional phase II/III study in patients with dependence on IL-1 blockers, with the goal of offering a novel, effective treatment option for patients suffering from RP. The results emphasize CardiolRx™'s potential to redefine treatment strategies for recurrent pericarditis, offering a promising alternative for patients with high disease burden and limited therapeutic options. We believe that the share price performance does not reflect the recent important milestones achieved with CardiolRx™ in RP and that the share is significantly undervalued. Our SOTP model still yields a price target of USD8.50. We maintain our Buy rating on Cardiol.

Table 4: "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	777.1M									
Milestones PV		USD	0.0M									
Net cash (proforma)		USD	64.1M									
Fair Value		USD	841.3M									
Share Count (proforma)		98,773K										
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)

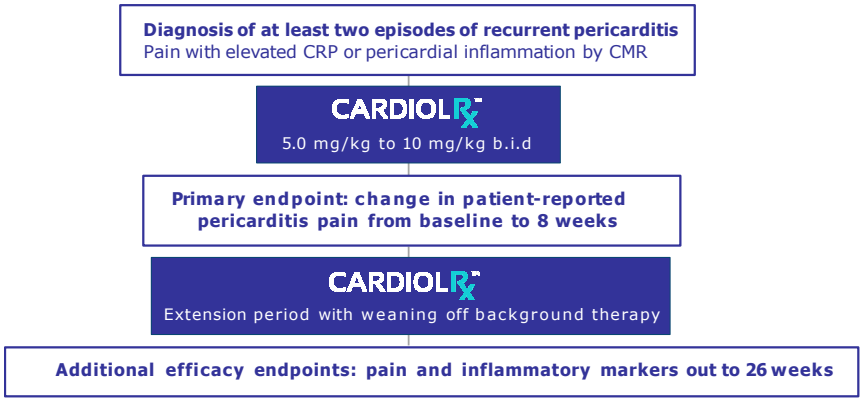
3) Remaining market exclusivity after the point of approval

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

APPENDIX

MAVERIC-PILOT RP STUDY – HEADLINE RESULTS

Figure 5: 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 5 below.

Table 5: 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 6 overleaf.

Table 6: 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

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	-27,000	-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**	**-39,200**	**-40,000**	**-40,000**
Operating income (EBIT)	**-38,664**	**-41,336**	**-29,786**	**-39,200**	**-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**	**-38,500**	**-38,800**	**-34,490**
Income taxes	0	0	0	0	0	0
Net income / loss	**-31,638**	**-30,931**	**-28,128**	**-38,500**	**-38,800**	**-34,490**
Diluted EPS (CAD)	**-0.73**	**-0.49**	**-0.44**	**-0.53**	**-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%	68.9%	50.0%	50.0%
Research & Development	28.1%	45.9%	47.8%	31.1%	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**	**13,320**
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**	**13,320**
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**	**-38,500**	**-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**	**-39,200**	**-40,000**	**-35,490**
Depreciation and amortisation	220	220	248	240	232	182
EBITDA	**-38,444**	**-41,116**	**-29,537**	**-38,960**	**-39,768**	**-35,308**
Derivative liability	-4,916	-6,241	-182	762	0	0
Share & warrant based payments	12,694	6,894	4,173	11,200	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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Amtsgericht Berlin Charlottenburg HR B 103329 B
UST-Id.: 251601797
Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV
First Berlin Equity Research GmbH

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The production of this recommendation was completed on 22 November 2024 at 10:43

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

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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.

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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	28 October 2024	USD1.92	Buy	USD8.50
8	Today	USD1.58	Buy	USD8.50

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