

CARDIOL THERAPEUTICS INC. *5a,6a,7,11

Rating: BUY
Target Price: 17,49 CAD

Current price: 2,93 CAD
15/11/2021 / Toronto / 17:50
Currency: CAD

Key Data:

ISIN: CA14161Y2006
WKN: A2PA9E
TSX: CRDL
OTCQX: CRTPF
NASDAQ: CRDL
FSE: CT9
Number of shares³: 77M
Marketcap³: 242,5M
³ in m / in m CAD / fully diluted
Free float: 76%

Primary listing: Canada TSX
Secondary listing: Frankfurt
NASDAQ

Accounting Standard:
IFRS

FY End: 31/12/

Analysts:

Julien Desrosiers
desrosiers@gbc-ag.de

Felix Haugg
Haugg@gbc-ag.de

* Catalogue of possible conflicts of interest on page 4

Date (time) Completion:
15/11/2021 (6.00 pm)

Date (time) first transmission:
16/11/2021 (11:00 am)

Validity of the price target: until
max. 31/12/2022

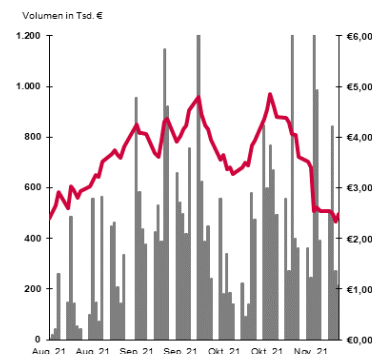
Company Profile

Sector: Biotechnology

Focus: Cannabidiol therapies for inflammatory heart disease

Management: David Elsley (President & CEO, Director), Andrew Hamer (CMO), Chris Waddick (CFO), Bernard Lim (COO)

Founded: 2017
Headquarters: Oakville, Canada


GBC-AG to present a round table conference call with Cardiol Therapeutics and will present latest development.
Latest developments – short overview

05-11-2021	Cardiol Therapeutics Announces Closing of US\$50 Million Public Offering
25-10-2021	Cardiol Therapeutics Receives Health Canada Approval for Phase II Clinical Trial of CardiolRx™ for Acute Myocarditis
18-10-2021	Cardiol Therapeutics Expands LANCER, a Phase II/III Trial of CardiolRx™, into Brazil, Mexico, and Canada
10-09-2021	Cardiol Therapeutics Announces Acceleration of Expiry Date of Warrants issued on June 4, 2020

About Cardiol:

Cardiol Therapeutics is a clinical-stage life sciences company focused on the research and clinical development of anti-inflammatory therapies for the treatment of cardiovascular disease. developing innovative anti-inflammatory therapies for the treatment of cardiovascular disease.

The Company's portfolio is composed of three therapies in development supported by CardiolRx™, an oral cannabidiol formulation that is pharmaceutically manufactured under cGMP.

The Company has had important developments since our last update. The Company raised US\$50M in a public offering, received Health Canada approval for a Phase II Clinical trial of CardiolRx for acute myocarditis, expanded their LANCER trial to 3 new countries, and accelerated the expiry date of warrants issued on June 4, 2020.

**** Last research by GBC:**

11/10/2021: RS / 17.49 / BUY
09/09/2021: RS / 17.49 / BUY
13/08/2021: RS / 17.49 / BUY
23/06/2021: RS / 15.77 / BUY
Date: publication/target price in CAD/rating

** The research studies indicated above may be viewed at www.gbc-ag.de, or requested at GBC AG, Halderstr. 27, D86150 Augsburg

Financial calendar

24/11/2021 GBC Investor Call
https://us06web.zoom.us/webinar/register/WN_uGcldiqxQua5TozjaPCXJA

GBC AG to present an investor round table conference call with Cardiol Therapeutics and will present latest development.

With the completion of the Public Offering, the company will have raised more than \$ 52.4 million in cash. Included is \$ 2.4 million from the warrants' accelerated expiration date of June 4, 2020. On November 2nd, the company filed a preliminary prospectus, and on November 3rd, the company announced the pricing. Cardiol Therapeutics announced the closing of its \$50 million public offering less than 24 hours later. This demonstrates the American markets' appetite for Cardiol Therapeutics and the significance of their NASDAQ listing. The holder of each share of the offering received a half warrant for \$3.75 until November 5, 2024.

With higher costs due to the expansion of recruitment for their LANCER study in Brazil, Mexico and Canada, this new influx of cash can allow the company to run full steam ahead without compromising R&D.

As discussed in our initial coverage report (June 2021), <http://www.more-ir.de/d/22609.pdf>, we believe that the LANCER study could produce its first results in the fourth quarter of 2021 or the first quarter of 2022. The inclusion of new markets for patients recruitment indicates that the company is on track to meet their timeline. We believe that with the additional funds raised, the company could also increase the number of participants.

Cardiol Therapeutics also received approval from Health Canada for its CardiolRx™ for Acute Myocarditis Phase II Clinical Trial. The approval comes after the U.S. Food and Drug Administration (FDA) granted clearance to proceed with Cardiol Therapeutics' Investigational New Drug (IND) application to begin this trial, as announced by the company on August 24th, 2021. The trial's primary endpoints will be left ventricular function (ejection fraction and longitudinal strain) and myocardial edema (extra-cellular volume), both of which have been shown to predict long-term prognosis in patients with acute myocarditis after 12 weeks of double-blind therapy.

The resurgence of the COVID-19 crisis in Europe has boosted the projected demand for their treatments in development. Finally, because of their strong cash position, we believe the capital increase has resulted in a lower company risk. Based on this we reduced BETA in our model, considered the cash inflow but adjusted for dilution. The different effects balance each other out. As a result, we maintain our current rating and price target.

Upcoming Event: GBC AG to present Cardiol Therapeutics Investors round table

In light of the above new developments, we are organizing an online investor presentation on 24.11.2021 15.00h (UTC+1). Here, the CEO of the company will present the latest developments and be available for questions via chat function.

Investors and press can register for the call with following link

https://us06web.zoom.us/webinar/register/WN_uGcldjqxQua5TozjaPCXJA

ANNEX

I.

Research under MiFID II

1. There is a contract between the research company GBC AG and the issuer regarding the independent preparation and publication of this research report on the issuer. GBC AG is remunerated for this by the issuer.
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 $\geq + 10\%$.
HOLD	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is $> - 10\%$ and $< + 10\%$.
SELL	The expected return, based on the calculated target price, incl. dividend payments within the relevant time horizon, is $\leq - 10\%$.

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The analysts responsible for this analysis are:

Julien Desrosiers, Financial Analyst

Felix Haugg, B.A., Financial Analyst

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GBC AG
Halderstraße 27
D 86150 Augsburg
Tel.: 0821/24 11 33-0
Fax.: 0821/24 11 33-30
Internet: <http://www.gbc-ag.de>

E-Mail: compliance@gbc-ag.de