Cardiol Therapeutics is concerned with affairs of the heart

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One thing I really enjoy about writing for InvestorIntel is all the random learning I get from reading MD&As of the various companies I write about. Some of it is very informative, some of it is fascinating and some of it is just plain entertaining. Today's company falls into the first two categories, at least for me, as it sent me down a bit of a rabbit hole on cardiovascular disease (CVD). Coming from a long family history of unfortunate events related to the heart and its functions, I'm always keen to understand more about the prevention and cure of various heart maladies.

You may or may not be curious about which specific diseases we are dealing with today, but I'm going to tell you anyway – acute myocarditis and recurrent pericarditis, two underserved diseases affecting the heart. Acute myocarditis is an inflammatory condition of the heart muscle (myocardium) characterized by chest pain, impaired cardiac function, atrial and ventricular arrhythmias, and conduction disturbances. While recurrent pericarditis refers to inflammation of the pericardium (the membrane or sac that surrounds the heart) that follows an initial episode (frequently resulting from a viral infection). Perhaps that's too much information but it's important to understand if you have any interest in today's company.

That company is Cardiol Therapeutics Inc. (NASDAQ: CRDL | TSX: CRDL), a clinical-stage life sciences company focused on the research and clinical development of anti-inflammatory and anti-fibrotic therapies for the treatment of heart diseases. The

Company's lead product candidate, CardiolRx™, is a pharmaceutically manufactured oral cannabidiol formulation that is being clinically developed for use in heart diseases. Cardiol has received Investigational New Drug Application authorization from the United States Food and Drug Administration to conduct clinical studies to evaluate the efficacy and safety of CardiolRx™ in the two aforementioned diseases affecting the heart: (i) a Phase II multi-national, randomized, double-blind, placebo-controlled trial (the "ARCHER" trial) in acute myocarditis, an important cause of acute and fulminant heart failure in young adults and a leading cause of sudden cardiac death in people less than 35 years of age; and (ii) a Phase II multi-center open-label pilot study in recurrent pericarditis (inflammation of the pericardium), which is associated with symptoms including debilitating chest pain, shortness of breath, and fatigue, and results in physical limitations, reduced quality of life, emergency department visits, and hospitalizations.

Now that we've covered a small encyclopedia worth of medical terminology, let's get down to the business catalysts behind Cardiol. In early October the Company announced data that was presented at The Annual Scientific Meeting of the Heart Failure Society of America (is it just me or does this seem like an awful name for a society?). The study results demonstrate the active pharmaceutical ingredient in CardiolRx™ inhibits and also promotes the reversal of mechanisms known to play a role in the occurrence and development of fibrotic CVD. Cardiol is currently advancing its Phase II ARCHER trial, designed to assess CardiolRx™ in acute myocarditis. The Company has received regulatory clearance in multiple jurisdictions and is expected to enroll 100 patients at major cardiac centers in North America, Europe, Latin America, and Israel. The primary endpoints of the trial will be evaluated after 12 weeks of

double-blind therapy. Concurrent with the ARCHER trial, the Company is also undertaking a Phase II pilot study in recurrent pericarditis. Cardiol's study is expected to enroll 25 patients at major clinical centers specializing in pericarditis in the U.S.

But now, possibly the most interesting thing about Cardiol, is the fact that it is trading at or even below its current cash value. The Company ended Q2/22 with working capital of C$62 million and currently has a market cap of just over C$50 million. With a quarterly burn rate of roughly C$6.5 million, that suggests the cash value alone in Cardiol is somewhere in the neighborhood of C$54 million give or take, which is C$0.06/share or 8% higher than yesterday's close. Regardless of what the back of the envelope math says, the Company itself has stated that its cash runway now extends into 2026. That is plenty of time to see the ARCHER trial through to completion as well as the pilot study in recurrent pericarditis.

It appears Cardiol has plenty of available resources to make something happen over the coming weeks and months.