

# REAL HEART (HEART)

## THIRD ANIMAL SURGERY ON ITS WAY



Scandinavian Realheart AB (publ) ("Realheart" or the "Company") holds the world's first unique and patented four chamber Total Artificial Heart ("TAH"), which mimics the human heart's blood flow. With a cash position that still remains strong, the Company is closing in on its third live animal study. Expectations of human trials are still set for 2024, where we maintain our estimate of market launch during the latter part of 2025. From this point, sales could increase rapidly, with revenues reaching SEK276 M in 2028 in our Base scenario. Based on an applied P/S multiple of 5x (5), and an applied discount rate of 18%, this yields a present value per share of SEK 9.4. Before market launch, we continue to see several key value-driving activities, where steps in right direction could reduce the current valuation discount.

### ▪ Second Animal Surgery Has Been Conducted...

The clinical version of the Realheart® TAH – the version that will eventually be used in humans – has during July been successfully implemented in a second animal trial, following the first successful implantation of the Company's TAH reported during early June. Overall, the surgery was rapid and went well and marks a key milestone where time of survival reached over 24 hours.

### ▪ ... And A Third Is One Its Way

On the second day following the implant in the sheep, the animal moved a lot which resulted in dislocating some of the life support equipment and the decision was taken to end the study. Measures have been taken to avoid recurrence. The Company plans to achieve longer survival times in future sheep studies, where the next surgery is planned for September 2022. Hence, this will be very important to monitor from an investor perspective.

### ▪ Listed Peer Illustrate the Valuation Potential

Realheart TAH has a unique design that mimics the biological heart. The design, like the biological heart, enables Realheart TAH to deliver a pulsatile blood flow gentle to the blood, in an extremely energy effective way. So far, there is nothing that suggest that Realheart TAH will not be significantly better than what is on the market today. Realheart's market cap is approx. EUR11 M which can be compared to Carmat SA, the developer of the bioprosthetic artificial heart Aeson®, that have a market cap of approx. EUR258 M, hence a 24x greater than Realheart.

### ▪ Valuation Range Unchanged

As Realheart develops in line with our expectations, we choose in conjunction with the Q2 report to make only minor adjustments to our forecasts and maintain our valuation range for Base- Bull-, and Bear. Hence, we still see an attractive risk reward from current trading levels.

### SHARE PRICE | SEK 3.4

#### VALUATION RANGE, PRESENT VALUE 2028Y FORECAST

**BEAR**  
SEK 2.5

**BASE**  
SEK 9.4

**BULL**  
SEK 12.6

*The valuation is derived as a present value of sales forecasted in the year 2028. The potential valuation increase is expected to be gradual, given that assumed events occur.*

#### SCANDINAVIAN REALHEART AB

Share Price (2022-09-07) (SEK)	3.4
Number of Shares Outstanding	33,183,411
Market Cap (MSEK)	112.8
Net Cash (-)/Debt(+) (MSEK)	-39.4 <sup>1</sup>
Enterprise Value (MSEK)	79.4
W:52 Price Interval (SEK)	2.81 – 6.98
Stock Exchange	Nasdaq First North Growth Market

#### SHARE PRICE DEVELOPMENT

1 Month	-2.8 %
3 Months	-17.7 %
1 Year	-41.9 %
YTD	-34.9 %

#### TOP SHAREHOLDERS (AS OF 2022-06-30)

Najar Medical & Invention AB	9.8 %
Eskilstunahem Fastighets AB	5.0 %
Försäkrings AB Avanza	4.4 %
Ålandsbanken ABP (Finland) Svensk filial	2.6 %
Najar Bilend	1.6 %

#### CEO AND CHAIRMAN OF THE BOARD

CEO	Ina Laura Perkins
Chairman of the Board	Christer Norström

#### FINANCIAL CALENDER

Quarterly Report #3 2022	2022-11-18
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FORECAST (BASE), SEK M	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	12	42	108	276	480	780
<b>Gross Profit</b>	<b>5</b>	<b>19</b>	<b>53</b>	<b>141</b>	<b>254</b>	<b>429</b>
Gross margin	40%	45%	49%	51%	53%	55%
Total operating costs	-41	-46	-60	-91	-132	-156
<b>EBIT</b>	<b>-36</b>	<b>-27</b>	<b>-7</b>	<b>50</b>	<b>122</b>	<b>273</b>
EBIT margin	neg.	neg.	neg.	18%	25%	35%
P/S	9,4	2,7	1,0	0,4	0,2	0,1
EV/S	6,1	1,7	0,7	0,3	0,2	0,1
EV/EBIT	neg.	neg.	neg.	1,5	0,6	0,3

<sup>1</sup>Including a reported cash position of SEK24.2 M during end of June 2022, as well as upcoming grants from EIC of SEK25.7 M during 2022/2023. Also include assumed burn rate July – August 2022.

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