



## Value Investing: 1 Biotech Stock With Huge Opportunity

### Description

**Cardiol Therapeutics** ([TSX:CRDL](#)) is a clinical-stage [biotechnology company](#) focused on the research and clinical development of anti-inflammatory therapies for the treatment of cardiovascular disease (CVD).

The company recently received approval from the Food and Drug Administration (FDA) for the company's investigational new drug (IND) application to commence a double-blind, placebo-controlled clinical trial investigating the efficacy and safety of Cardiol's lead product, CardiolRx, in hospitalized COVID-19 patients with a prior history of CVD. CardiolRx is an ultra-pure, high concentration cannabidiol oral formulation that is pharmaceutically produced.

COVID-19, [a disease caused by the SARS-CoV-2](#), is primarily a respiratory disease. However, an increasing number of reports indicate that COVID-19 patients are at higher risk of developing cardiovascular complications.

### Robust product development

A recent study showed that 35% of hospitalized COVID-19 patients had underlying CVD. The company believes that the rationale for using cannabidiol to treat patients with COVID-19 who have a prior history of CVD is based on extensive pre-clinical investigations by Cardiol and others in models of cardiovascular inflammation. These studies have demonstrated that cannabidiol has impressive anti-inflammatory and anti-fibrotic activity and that it improves myocardial function in models of heart failure.

Cardiol is also planning to file an IND for a Phase II international trial of CardiolRx in acute myocarditis, a condition caused by inflammation in heart tissue, which remains the most common cause of sudden cardiac death in people less than 35 years of age. The company is developing a subcutaneous formulation of CardiolRx for the treatment of inflammation in the heart that is associated with the development and progression of heart failure.

## Wealth of experience

Heart failure is the leading cause of death and hospitalization in North America, with associated annual healthcare costs in the United States alone exceeding \$30 billion. In parallel with the clinical programs in inflammatory heart disease, Cardiol is also developing a commercial opportunity in the Canadian medical cannabinoid market through exclusive supply agreements.

Further, Cardiol brings together a wealth of research and development experience, advanced manufacturing capabilities, and an executive team with extensive industry experience and expertise in commercializing proprietary drugs. In 2020, Cardiol announced the commercial introduction of Cortalex, an extra-strength oral cannabidiol formulation. The product is available for purchase across North America.

## Huge opportunity

Statistics Canada has indicated that the total medical cannabinoid market was almost \$600 million annually in Canada as of 2020. Cardiol believes that a pure pharmaceutically produced cannabidiol product manufactured by a Health Canada-approved, FDA-registered, and inspected pharmaceutical facility will have key competitive advantages regarding consistency, safety, and purity.

## Valuable intellectual property portfolio

Cardiol's intellectual property portfolio has been built from in-house technology and product research and development, as well as strategic relationships with partners. Further, the company has a consistent licensing revenue stream through an exclusive in-licensing arrangement with Meros under which Cardiol licenses territorial rights to technologies, patents, and related know-how. Overall, the company owns some very valuable intangible assets.

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