

REAL HEART (HEART)

TAKING STEPS FORWARD



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 remains solid, the Company is continuing their animal trials. So far, three implantations have been completed and an additional 3-4 have been scheduled. 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% (18), this yields a present value per share of SEK 9.4 (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.

Continued Animal Study's

During the end of October, Realheart announced that the Company had performed a third implantation in sheep to test the clinical version of Realheart TAH, the version that will also be used in human trials, expected to start in 2024. Realheart states that the implantation went quickly, and progress was made, including the optimal placement of the pump. So far, during these animal trials, Realheart TAH has managed to keep the animal alive for the first 24 hours, which is the most critical time. This is a significant milestone and Realheart can now focus on successively improving this. 3-4 more implantations are planned in the series and is something that an investor should monitor closely.

Solid Financial Position – But Still In Need Of More Cash

During Q3-22, Realheart showed a positive net result for both the group as well as the parent company, which is explained by the fact that the Company has obtained parts of the previous won EIC grant. At the end of September, Realheart's cash amounted to SEK22.1 M for the group. On top of this, the Company still has remaining capital secured from the previous EIC grant during 2022/2024. Also, during February 2023, shareholders can exercise their TO1 warrants, which may strengthen Realheart's cash position even further. However, the Company do guide for the need of additional funding, and based on the current development, Realheart may need more capital during Q2-23.

Valuation Range Updated In Bull

As Realheart develops in line with our expectations, we choose to make only minor adjustments to our forecasts and maintain our valuation range for Base- and Bear. However, based on market observations from Carmat, we do believe that Realheart's TAH could be priced higher in a Bull scenario once launched, motivating a higher valuation of future cash flows.

SHARE PRICE | SEK 3.0

VALUATION RANGE, PRESENT VALUE 2028Y FORECAST

BEAR
SEK 2.5

BASE
SEK 9.4

BULL
SEK 14.8

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 (2022-12-06) (SEK)	3.0
Number of Shares Outstanding	33,183,461
Market Cap (MSEK)	99.6
Net Cash (-)/Debt(+) (MSEK)	-19.7 ¹
Enterprise Value (MSEK)	79.8
W.52 Price Interval (SEK)	2.54 – 5.88
Stock Exchange	Nasdaq First North Growth Market

SHARE PRICE DEVELOPMENT

1 Month	-16.2 %
3 Months	-17.6 %
1 Year	-34.2 %
YTD	-46.2 %

TOP SHAREHOLDERS (AS OF 2022-09-30)

Najar Medical & Invention AB	9.8 %
Eskilstunahem Fastighets AB	5.0 %
Avanza Pension	4.4 %
Ålandsbanken ABP (Finland) Svensk filial SEBP6	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 #4 2022	2023-02-24
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FORECAST (BASE), SEK M	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	12	42	108	276	480	780
Gross Profit	5	19	53	141	254	429
Gross margin	40%	45%	49%	51%	53%	55%
Total operating costs	-41	-46	-60	-91	-132	-156
EBIT	-36	-27	-7	50	122	273
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

¹Based on a reported cash position of SEK22.1 M during end of September 2022. Realheart also have remaining upcoming grants from EIC during 2022/2024, as well as an option to utilize a secured loan from Almi of SEK7.6 M.

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Other

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