INTERIM REPORT*

January – June 2023

Progress on several fronts

SECOND QUARTER

- Net sales: SEK 0.0 M (0.0)
- Operating loss: SEK -62.6 M (-96.0)
- Loss after tax: SEK -56.4 M (-93.3)
- Loss per share, before and after dilution: SEK -0.34 (-0.93)

HALF-YEAR

- Net sales: SEK 0.0 M (0.0)
- Operating loss: SEK -140.2 M (-217.6)
- Loss after tax: SEK -132.3 M (-210.7)
- Loss per share, before and after dilution: SEK -0.79 (-2.10)
- Equity/assets ratio: 76 (83) per cent
- Cash and cash equivalents: SEK 158.9 M (114.1)
- Short-term investments: SEK 128.3 M (236.1)

Significant events in the second quarter

- At AACR 2023, promising efficacy data was presented for nadunolimab with chemotherapy in pancreatic cancer (PDAC), in particular in patients with high levels of IL1RAP.
- Plans were announced for a randomized controlled clinical phase IIb trial to evaluate nadunolimab with chemotherapy in additional PDAC patients.
- At ASCO 2023, promising efficacy was presented for nadunolimab with chemotherapy also in non-small cell lung cancer (NSCLC), including two complete responses.
- Enrollment to the CANFOUR trial was completed; favorable safety was reported for nadunolimab with carboplatin/pemetrexed in non-squamous NSCLC patients.

Significant events after the end of the period

- An application to start a phase I clinical trial for CAN10, which was submitted during the quarter, was approved by regulatory authorities.
- In response to the oppositions on Cantargia's patent EP3293202, the European Patent Office (EPO) ruled that the patent should remain in force with an updated patent scope.

Comments on significant events

Strong clinical data for nadunolimab with gemcitabine and nab-paclitaxel in PDAC were presented at the AACR 2023 conference. In line with previous updates, it was shown that efficacy in the 73 treated patients was well above historical data for chemotherapy alone. The strongest effect was achieved in patients with high tumor levels of IL1RAP, the target protein of nadunolimab, including a significantly prolonged overall survival compared to patients with low IL1RAP levels. A new randomized, controlled phase IIb trial is now being planned to confirm these results in 150-200 PDAC patients. Submission to start the trial is planned for the second half of 2023 and top line data in 2025. At AACR2023, preclinical data were also presented showing that nadunolimab reduces the metastatic burden in two cancer models.

Promising clinical efficacy data were also presented at the ASCO 2023 conference for nadunolimab with platinum-based chemotherapy in NSCLC. In 30 patients who received nadunolimab with cisplatin and gemcitabine, stronger effects were achieved compared to historical data for chemotherapy only, in particular in patients with non-squamous NSCLC. Of the 16 patients with this subtype, two had a complete response. Both were previously progressed on Keytruda® and lacked PD-L1 on their tumor cells. One was achieved after almost nine months of nadunolimab monotherapy after termination of chemotherapy.

Patient recruitment to the CANFOUR trial was completed. Favorable safety was reported for the last ten patients enrolled to the study, non-squamous NSCLC patients treated with nadunolimab and carboplatin and pemetrexed. Biomarkers are now being analyzed in these and additional NSCLC patients given nadunolimab and chemotherapy to identify subgroups with the best responses to treatment.

Additionally, the oppositions against Cantargia's patent EP3293202 were concluded. Following oral proceedings, the EPO ruled that the patent would remain in force with a new claim scope encompassing nadunolimab and a broad range of variants with similar functional properties. For CAN10, an application was submitted to initiate a clinical phase I trial. This was approved in August and treatment in the trial is expected to start in September.

*All financial amounts are in Swedish kronor ("SEK") unless otherwise stated. "TSEK" indicates SEK thousand and "MSEK" indicates SEK million. Certain financial and other information presented may have been rounded off to make the information easily accessible to the reader.

CHIEF EXECUTIVE'S REVIEW

Progress on several fronts

During the first half of the year, Cantargia has on several occasions presented new results that have strengthened our main project nadunolimab. These results garnered great interest at the major international cancer conferences where they were presented, but have also caught the attention of researchers, analysts and various companies that follow Cantargia. Being in the limelight is important in our line of business, and we have most certainly achieved that.

At the major AACR conference In April, we presented updated results from the ongoing clinical study CANFOUR, where a total of 73 pancreatic cancer patients were treated with nadunolimab and chemotherapy. These patients have now been monitored long enough for us to get a clear understanding of the effects. The first conclusion that can be drawn is that these patients are doing significantly better than what is expected for chemotherapy alone, an observation that becomes even more clear as we gather more data. Ultimately, the goal of all cancer treatment is to prolong the survival of patients and improve their quality of life. We see clear signals that we can achieve that goal; the median survival of 12.9 months is a good result, and we have previously reported that nadunolimab also has the potential to counteract serious complications such as neuropathy. In addition to this positive overall result, we also noted a correlation between the therapeutic efficacy and the levels of nadunolimab's target, IL1RAP, as the median survival was almost 15 months in the group of patients with high IL1RAP levels in the tumor. This means that there is a greater likelihood that nadunolimab, which can be likened to a targeting robot, will find its way, and counteract the growth of the tumor if there is more of its target in the tumor. These results give us further motivation to take the next step towards a controlled study in pancreatic cancer, with the ambition to submit a clinical trial application in the second half of 2023.

In June, we also presented updated results at the international ASCO conference from lung cancer patients treated with nadunolimab and chemotherapy. Almost 40 patients have been evaluated with many responding very well to the treatment. Remarkably, two of these patients had such good responses that all their tumors disappeared. Compared to historical controls, this is a very good result as fewer than one per cent are expected to achieve such a good effect with the treatments that are available today. There are also similarities between these two patients in terms of type of lung cancer. Given that the lung cancer market is becoming increasingly segmented, these are important results ahead of the next step as we intend to focus the rest of the year on getting an even better understanding of exactly which patient group responds best to our treatment.

To date, more than 250 patients have received treatment with nadunolimab, and we are enthusiastic about the results we have obtained thus far. We have now shown results that are better than historical controls in pancreatic cancer, lung cancer and triple-negative breast cancer. During the fall, we expect to present additional results, for example in triple-negative breast cancer, which will provide an even more nuanced picture of nadunolimab and its possibilities.

Our second project, CAN10, has also made progress. In April, the application for the start of a phase I clinical trial was submitted to the regulatory authorities in Germany. This was approved during the summer, and at the time of writing we expect treatment to start in the first dose group of healthy volunteers in September. Formally, the study is designed in accordance with the guidelines for documenting safety and pharmacokinetics, but we have included an ambitious program for value-adding activities such as documenting effects on blood biomarkers.

We have also built a strong patent portfolio encompassing our assets. Given the commercial opportunities around IL1RAP biology, it is not unexpected that several competitors have attempted to narrow the scope of our patents. In Europe, this can be done through formal opposition processes. Several of these have already been resolved, and so far, the outcomes have been entirely in our favor. In July, another opposition process was concluded, and the outcome was once again positive for Cantargia. The conclusion we can draw is that our and others' results have generated interest in IL1RAP as a target for the treatment of various diseases, but it is also a fact that nadunolimab is first-in-class, several years ahead of potential competitors.

In summary, Cantargia is in a very interesting position even though the entire biotech sector is struggling in a time of high inflation and rising interest rates. The market may not change in the short term, but it is a sector with very high potential, and we will ensure that Cantargia is in a winning position when the tides start turning.

Göran Forsberg
CEO, Cantargia AB

ABOUT CANTARGIA

Cantargia is a Swedish biotech company that develops antibody-based treatments for cancer and other life-threatening diseases. Cantargia's research and development were born out of an important discovery at Lund University where research on leukemic stem cells showed that the IL1RAP molecule is present on the cell surface of immature cancer cells. Further studies demonstrated that this molecule is also found on cancer cells from a large number of solid tumor types. Antibodies targeting IL1RAP can thus potentially be used for the treatment of several types of cancer.

Nadunolimab (CAN04)
The development of Cantargia's first drug candidate, the IL1RAP-binding antibody nadunolimab, has progressed quickly and has demonstrated promising clinical and pre-clinical data in the treatment of cancer. In addition to targeting cancer cells and stimulating our natural immune system to destroy such cells, nadunolimab also blocks signals which contribute to tumor development and growth. In a large number of tumor diseases, tumor growth benefits from the so-called interleukin-1 system, which contributes to an environment favorable to tumors. The interleukin-1 system is dependent on IL1RAP for transferring signals to cells and blockade of IL1RAP by nadunolimab prevents this signaling.

Cantargia has rapidly advanced nadunolimab to the clinical phase II stage in pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer. Promising interim data from patients receiving nadunolimab in combination with chemotherapy have been presented and indicate a stronger efficacy than would be expected from chemotherapy alone.

Nadunolimab is mainly evaluated in combination with chemotherapy as its mechanism of action enables synergy with other cancer therapies. This is because IL1RAP affects various resistance mechanisms that tumors can develop to these therapies. In parallel with the clinical development, studies are conducted on various biomarkers to obtain more information regarding which patients respond best to treatment and how nadunolimab can be combined with additional established cancer therapies for optimal effect.

CAN10
IL1RAP is also an interesting target in many diseases outside the field of cancer. In the CAN10 project, Cantargia is developing a new IL1RAP-targeting antibody which has a unique capability of blocking signaling not only by interleukin-1, but also interleukin-33 and interleukin-36. Simultaneous blockade of all three of these cytokines has great potential in the treatment of several autoimmune and inflammatory diseases. The initial focus is on two severe diseases, systemic sclerosis and myocarditis, where CAN10 has shown very strong pre-clinical data. CAN10 recently reached clinical development stage and the goal is to initiate a phase I clinical trial in September 2023.

CANxx
In the CANxx project, Cantargia is expanding its knowledge of IL1RAP and develops new antibodies that complement nadunolimab and CAN10. The goal is to identify new antibody-based IL1RAP-targeting drugs with properties that differ from those of nadunolimab and CAN10 and are thus specifically designed for the treatment of new diseases.

Cantargia's project portfolio

Project	Disease	Type of treatment	Discovery phase	Preclinical phase	Clinical phase I	Clinical phase II	Clinical phase III
Nadunolimab	PDAC	1st line		*Gemcitabine/nab-paclitaxel*			
	TNBC	1st/2nd line		*Carboplatin/gemcitabine*			
	NSCLC/ non-squamous NSCLC	1st/2nd line		*Platinum doublets*			
CAN10	Myocarditis, Systemic sclerosis						
CANxx	New opportunities within IL1RAP platform						

PDAC – pancreatic cancer; TNBC – triple-negative breast cancer; NSCLC – non-small cell lung cancer

Cantargia's clinical studies

In Cantargia's first clinical trial, CANFOUR, nadunolimab is evaluated for treatment of pancreatic cancer and non-small cell lung cancer. CANFOUR is a phase I/IIa trial consisting of two parts. While the first part primarily evaluated safety and dosage of monotherapy, the second part, phase IIa, focuses on combination therapy with standard treatments for pancreatic cancer and non-small cell lung cancer. The phase I results were very encouraging and indicated good safety, as well as effects on key biomarkers.

Moreover, positive interim results from the phase IIa part show clear signals on the efficacy of combination therapy as stronger effects are observed in both pancreatic cancer and lung cancer patients compared to what would be expected from chemotherapy alone. In a total of 73 patients with pancreatic cancer, progression-free survival of 7.2 months and median overall survival of 12.9 months was observed, which is an improvement over historical control data for chemotherapy alone. Even stronger efficacy was observed in patients with high tumor levels of IL1RAP, the target of nadunolimab, including significantly prolonged median overall survival compared to patients with low IL1RAP levels (14.2 vs 10.6 months; p=0.017). In 30 patients with non-small cell lung cancer, a response of 53 per cent was achieved, resulting in median progression-free survival of 7.0 months. This is an improvement over historical controls for chemotherapy only, which show a 22-28 per cent response rate and median progression-free survival of 5.1 months. Moreover, an even higher response was achieved in a subgroup of patients with non-squamous non-small cell lung cancer.

Nadunolimab is also assessed in additional forms of cancer or with additional combination therapies. In the clinical phase Ib/II trial TRIFOUR, patients with triple-negative breast cancer are treated with nadunolimab in combination with chemotherapy. In this trial, the initial dose escalation phase was recently completed, where the combination showed acceptable safety and promising efficacy. Patients are now enrolled to a second, randomized phase of TRIFOUR where the anti-tumor efficacy of nadunolimab in combination with chemotherapy will be evaluated and compared to a control group with chemotherapy alone.

In the phase Ib trial CIRIFOUR, nadunolimab is studied in combination with the immunotherapy pembrolizumab (Keytruda®) with the main objective to assess safety. Patient recruitment to CIRIFOUR ended in October 2022, and a total of 16 patients with non-small cell lung cancer, head and neck cancer and malignant melanoma were treated. Interim data show that the combination is well-tolerated and that disease control for at least 30 weeks (up to 58 weeks) is achieved in 6 of 15 evaluated patients, including one partial response.

Additional studies include the phase Ib trial CAPAFOUR and the phase I/II trial CESTAFOUR. In CAPAFOUR, pancreatic cancer patients are treated with nadunolimab in combination with the chemotherapy regime FOLFIRINOX, and in CESTAFOUR, nadunolimab is evaluated in combination with chemotherapy in three different forms of cancer: non-small cell lung cancer, biliary tract cancer and colon cancer. Patient recruitment to both CAPAFOUR and CESTAFOUR ended in October 2022. Preliminary results show an acceptable safety profile for the combination therapies and signs of efficacy in non-small cell lung cancer patients treated with nadunolimab and cisplatin/gemcitabine in CESTAFOUR.

Clinical studies for nadunolimab

Study	Disease	Combination therapy	No. of patients	Status	NCT number
CANFOUR	PDAC	Gemcitabine/nab-paclitaxel	76	Active, not recruiting	NCT03267316
	NSCLC/ non-squamous NSCLC	Platinum doublets	33 + 10	Active, not recruiting	
CIRIFOUR	Solid tumors	Pembrolizumab	16	Active, not recruiting	NCT04452214
CAPAFOUR	PDAC	FOLFIRINOX	18	Active, not recruiting	NCT04990037
CESTAFOUR	Solid tumors	Docetaxel, cisplatin/ gemcitabine or FOLFOX	36	Active, not recruiting	NCT05116891
TRIFOUR	TNBC	Carboplatin/gemcitabine	Up to 113	Recruiting	NCT05181462

PDAC – pancreatic cancer; TNBC – triple-negative breast cancer; NSCLC – non-small cell lung cancer

CANTARGIA OPERATES IN A GROWING MARKET

Cancer is one of the leading causes of death in the world, accounting for around 20 per cent of deaths in the Western world. Globally, more than 18 million people are diagnosed with cancer annually and nearly 10 million die of cancer-related diseases[1]. Despite significant advances in treatment and diagnostics, there is a great need for new therapies.

Cantargia is focusing the development of nadunolimab on pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer.

The market for pancreatic cancer

Globally, approx. 495,000 new cases of pancreatic cancer were diagnosed in 2020. In the same year, 466,000 people died from the disease[1]. In the United States, the number of people diagnosed with the disease has increased by nearly 13 per cent over the last 20 years and pancreatic cancer is today the third most common cause of cancer-related deaths in the United States[2]. Since pancreatic cancer is difficult to diagnose, it is also difficult to treat as it is often well-advanced at the time of diagnosis.

Pancreatic cancer treatment was valued at approx. USD 2.4 billion in the eight largest markets in 2021 and is expected to grow to approx. USD 4.2 billion by 2026[3]. This corresponds to an annual growth rate of just over 8 per cent during these years. The growth in this market is mainly due to an increasing number of cancer cases. The number of people diagnosed with pancreatic cancer is estimated to increase by 60 per cent by 2040[1]. The increase in the number of cases is in turn caused by an aging population and the increasing incidence of diabetes, which are both risk factors for developing pancreatic cancer. Improved diagnostics also contribute to the expected market growth as they increase the likelihood of discovering pancreatic cancer at an earlier stage, thus enabling treatment.

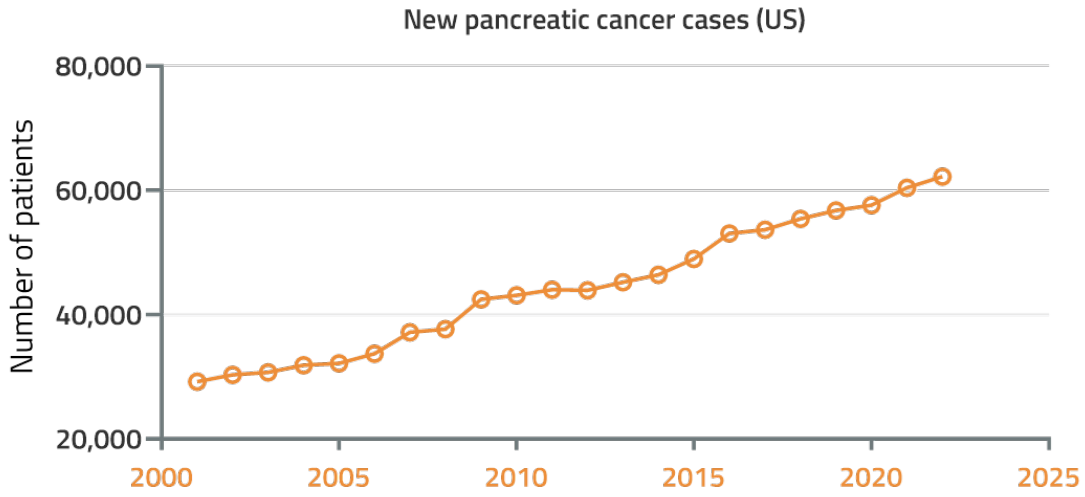
The market for breast cancer

Breast cancer is currently the most common form of cancer. In 2020, approx. 2.3 million new cases were reported, and approx. 685,000 women died from the disease. In 2040, around 3 million women are expected to be diagnosed with the disease and just over one million will die as a consequence of the disease[1]. The risk of developing breast cancer increases with age up to the age of 70. In the United States, the median age for developing breast cancer is 62 years[4]. According to a study conducted on American women, increases in BMI and the fact that women on average give birth to fewer children, are likely to contribute to the increase in cases in the United States between 1980 and 2018[5].

The global market for breast cancer treatment amounted to approx. USD 17.9 billion in 2021 and is expected to increase to USD 20 billion by 2025, corresponding to an annual growth rate of approx. 13 per cent[6]. The market growth is primarily fueled by an increased disease incidence, but also the need for preventive measures and early treatment. Market growth is also expected to be driven by the launch of new therapies.

Approx.10-15 per cent of breast cancer cases is triple-negative breast cancer. The market for the treatment of triple-negative breast cancer is expected to be worth over USD 820 million by 2027 following an annual growth rate of approx. 4.5 per cent between 2020 and 2027[7].

Number of new pancreatic cancer cases in the US between 2001 and 2022[2]



The market for lung cancer

In 2020, approx. 2.3 million cases of lung cancer were diagnosed globally and more than 1.8 million people died from the disease[1]. Around 85 per cent of all lung cancers are non-small cell lung cancer[2], which is subdivided into the squamous and non-squamous subgroups, where the latter is the largest and corresponds to 70-80 per cent of all cases[8]. In the United States, the number of people diagnosed with lung cancer has declined by approx. 27 per cent over the past 20 years, while the number of people diagnosed with this disease is increasing in countries such as China and India, and in European countries such as Hungary, Denmark and Serbia.

Sales of drugs for non-small cell lung cancer totalled USD 20 billion in 2020 and are projected to increase to USD 45 billion by 2027[9]. Sales are driven mainly by increasing use of various antibody-based immunotherapies. Another important factor contributing to the growth of the global market is the increasing incidence of lung cancer in many countries, as mentioned above.

The market for systemic sclerosis and myocarditis

In Cantargia's second project, CAN10, the objective is to develop a novel IL1RAP-binding antibody primarily for treatment of systemic sclerosis and myocarditis.

Myocarditis is characterized by inflammation of the muscular tissues of the heart (myocardium) arising from, for example, autoimmunity or various types of infections. Regardless of its etiology, myocarditis is characterized by initial acute inflammation that can progress to subacute and chronic stages, resulting in tissue remodeling, fibrosis, and loss of contractile function. The incidence of myocarditis is approx. 22 per 100,000 (1.7 million)[10], and globally the disease accounts for about 0.6 deaths per 100,000 (46,400) annually[11]. The medical need is high for subgroups of patients with fulminant myocarditis (acute disease) and dilated cardiomyopathy (chronic disease), where mortality is very high in certain sub-types. For these patients, heart transplantation is currently the only definitive treatment.

Systemic sclerosis is a chronic autoimmune disease that is mainly characterized by inflammation and fibrosis of the skin and subcutaneous tissue, as well as blood vessels and internal organs such as the lungs, heart, and kidneys. Systemic sclerosis is a complex, heterogeneous disease that can occur with a variety of clinical manifestations ranging from minor to life-threatening. The estimated annual incidence of systemic sclerosis is approx. 1.4 per 100,000[12]. The main cause of death in patients with systemic sclerosis is interstitial lung disease and the medical need is particularly high in these patients. The worth of the pharmaceutical market for systemic sclerosis was estimated to approx. USD 500 million in 2020 and is expected to grow to USD 1.8 billion by 2030 in the seven major markets[13]. This corresponds to an average annual growth rate of 14 per cent.

[1]Globocan 2020

[2]American Cancer Society, Cancer Facts & Figures

[3]Reportlinker.com, Pancreatic Cancer Treatment Market Research Report - Global Forecast to 2026

[4]American Cancer Society

[5]Pfeiffer RM, Webb-Vargas Y, Wheeler W, Gail MH. Proportion of U.S. Trends in Breast Cancer Incidence Attributable to Long-term Changes in Risk Factor Distributions. Cancer Epidemiol Biomarkers Prev. 2018;1:1

[6]Research and Markets, Breast Cancer Drugs Global Market Report 2021

[7]FutureWise, Triple Negative Breast Cancer Treatment Market By Drug Type, 2020-2027

[8]Paz-Ares et al, N Engl J Med 2018; 379:2040-2051

[9]Reportlinker, Global Non-Small Cell Lung Cancer (NSCLC) Therapeutics Industry

[10]J Am Coll Cardiol. 2016 Nov 29;68(21):2348-2364

[11]Lancet. 2018;392:1736-88

[12]Bairkdar, Rossides, Westerlind, Hesselstrand, Arkema, Holmqvist, Incidence and prevalence of systemic sclerosis globally: A comprehensive systematic review and meta-analysis, Rheumatology 2021:7

[13]GlobalData, Systemic Sclerosis: Global Drug Forecast and Market Analysis to 2030

FINANCIAL INFORMATION

Revenue

The company's revenue amounted to SEK 0.0 M (0.0) in the second quarter and SEK 0.0 M (0.0) in the first six months of the year.

Operating expenses/operating loss

Research and development costs totaled SEK 56.6 M (90.6) in the second quarter and SEK 129.6 M (207.1) during the first six months. The reduced R&D costs compared to the previous year are primarily a result of the focus within the clinical program.

Administrative expenses amounted to SEK 4.0 M (3.9) in the second quarter and to SEK 8.1 M (8.1) during the first six-month period.

Other operating expenses, which mainly comprise foreign exchange differences in trade payables, were SEK 2.1 M (1.5) in the second quarter and SEK 2.5 M (2.5) during the first six months. Other operating expenses are mainly related to changes in the value of the Swedish krona against EUR.

The operating loss was SEK 62.6 M (96.0) in the second quarter and SEK 140.2 M (217.6) in the first six-month period.

Net financial income/expense

Net financial income/expense substantially consists of foreign exchange differences in the company's currency accounts and interest earned on short-term investments in fixed-rate accounts. Net financial income/expense for the first six months was positively affected by the sale of short-term investments totalling SEK 1.5 M. The total net financial income was SEK 6.2 M (2.8) for the second quarter and SEK 7.9 M (6.9) for the six-month period.

Earnings

Cantargia's loss before tax, which is the same as the loss for the period, was SEK 56.4 M (93.3) for the second quarter and SEK 132.3 M (210.7) for the first six months.

Cash flow and investments

Cash flow from operating activities was SEK -69.9 M (-95.2) in the second quarter and SEK -144.5 M (-215.9) in the first six months. As part of cash flow from operating activities, changes in working capital were SEK -11.0 M (-1.2) in the second quarter and SEK -11.3 M (-3.0) in the first six months.

Cash flow from investing activities was SEK 69.1 M (0.0) in the second quarter and SEK 108.8 M (75.0) in the first six months. Cash flow from investing activities refers essentially to the reallocation of other short-term investments in fixed-rate accounts and fixed income funds.

Cash flow from financing activities was SEK 0.0 M (0.0) in the second quarter and SEK 0.0 M (0.0) during the first six months.

The total change in cash and cash equivalents was SEK -0.9 M (-95.2) for the second quarter and SEK -35.7 M (-141.0) for the six-month period.

Financial position

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 158.9 M (114.1) at the balance sheet date. In addition to cash and cash equivalents, the company had short-term investments with banks and in fixed income funds of SEK 128.3 M (236.1). Total available funds, bank deposits and short-term investments amounted to SEK 287.2 M (350.2).

Cantargia's equity/assets ratio on 30 June 2023 was 76 (83) per cent and equity was SEK 259.7 M (325.6).

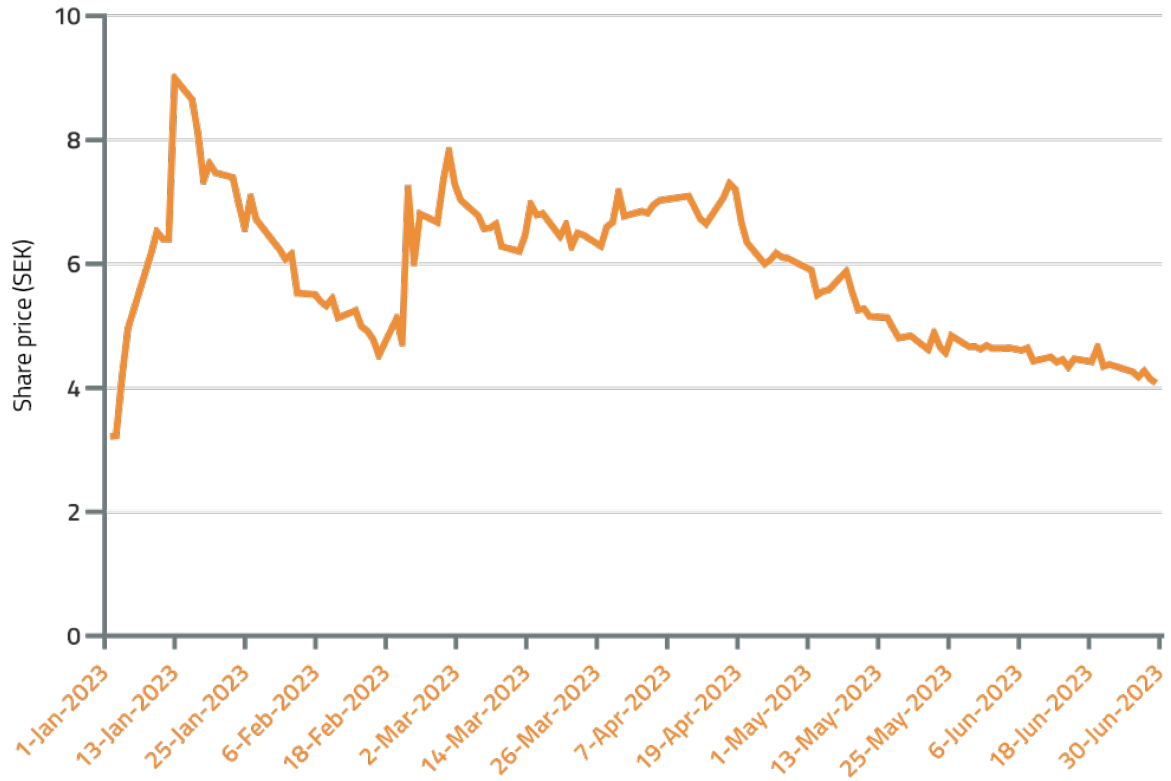
At the end of the period, total assets amounted to SEK 341.5 M (394.7).

SHAREHOLDER INFORMATION

Share information

As of 25 September 2018, Cantargia's shares have been listed on the main list of Nasdaq Stockholm, under the stock symbol "CANTA". On 30 June 2023, the number of shares was 166,987,895 (100,192,737).

Share price performance in 2023



Ownership distribution, 30 June 2023

Owner	Number of shares	Capital/Votes (%)
Fjärde AP-fonden	14 743 911	8,8%
Första AP-fonden	10 540 406	6,3%
Alecta Tjänstepension, Ömsesidigt	10 095 992	6,0%
Six Sis AG	8 295 983	5,0%
Försäkringsaktiebolaget, Avanza Pension	8 119 816	4,9%
Swedbank Robur Fonder	5 720 905	3,4%
Goldman Sachs International	4 684 026	2,8%
Handelsbanken fonder	2 652 366	1,6%
Brushamn Invest Aktiebolag	1 979 470	1,2%
Barsum, Rafi	1 883 000	1,1%
Other	98 272 020	58,8%
Total	**166 987 895**	**100,0%**

Ownership distribution by size class, 30 June 2023

Holding	Number of shareholders	Number of shares	Capital/Votes (%)	Market Cap (kSEK)
1 - 500	8 767	1 300 224	0,8%	5 305
501 - 1 000	2 171	1 722 829	1,0%	7 029
1 001 - 5 000	4 235	10 533 576	6,3%	42 977
5 001 - 10 000	1 204	8 965 587	5,4%	36 580
10 001 - 15 000	409	5 098 381	3,1%	20 801
15 001 - 20 000	292	5 179 571	3,1%	21 133
20 001 -	741	134 187 727	80,4%	547 486
Total	**17 819**	**166 987 895**	**100,0%**	**681 311**

The ownership register above has been compiled and processed based on data from the share register for Cantargia AB maintained by Euroclear AB. Share of capital and votes are based on the number of outstanding shares at the time, which amounted to 166,987,895.

OTHER INFORMATION

Employees

The average number of employees during the second quarter was 24 (28), of whom 14 (17) were women. Cantargia operates to a large extent through external partners.

Financial calendar

- Interim report July-September, 10 November 2023
- Year-end report 2023, 22 February 2024
- Interim report January-March, 21 May 2024

Review by auditors

The interim report has not been reviewed by Cantargia's auditors.

Contact

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Interim reports and the annual report are available at www.cantargia.com.

The Board and the CEO confirm that the interim report provides a true and fair overview of the company's operations, position and earnings and describes the material risks and uncertainty factors faced by the company.

Lund, 22 August 2023

Magnus Persson Chairman	Anders Martin-Löf	Flavia Borellini
Magnus Nilsson	Damian Marron	Göran Forsberg CEO

STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating income						
Net sales		-	-	-	-	-
Other operating income		-	-	-	-	-
		-	**-**	**-**	**-**	**-**
Operating expenses	6					
Research and development costs	5	-56 574	-90 613	-129 558	-207 062	-364 686
Administrative costs		-3 969	-3 925	-8 081	-8 051	-14 964
Other operating expenses		-2 080	-1 468	-2 538	-2 495	-1 899
		-62 623	**-96 006**	**-140 177**	**-217 609**	**-381 549**
Operating loss		**-62 623**	**-96 006**	**-140 177**	**-217 609**	**-381 549**
Financial income and expense						
Interest income and similar items		6 223	3 707	7 862	7 840	9 740
Interest expense and similar items		-1	-956	-1	-956	-4
		6 222	**2 750**	**7 861**	**6 883**	**9 736**
Loss before taxes		**-56 401**	**-93 256**	**-132 316**	**-210 726**	**-371 814**
Loss for the period*		**-56 401**	**-93 256**	**-132 316**	**-210 726**	**-371 814**
Earnings per share before and after dilution (SEK) based on average number of shares		-0.34	-0.93	-0.79	-2.10	-2.90

* No items are reported in other comprehensive income, meaning total comprehensive income is consistent with the loss for the period.

STATEMENT OF FINANCIAL POSITION

SEK thousand	Note	30-06-2023	30-06-2022	31-12-2022
ASSETS				
Fixed assets				
Intangible assets				
Patent		5 107	6 008	5 558
		5 107	**6 008**	**5 558**
Tangible assets				
Machinery and equipment		6 120	1 817	7 395
		6 120	**1 817**	**7 395**
Total fixed assets		**11 227**	**7 825**	**12 953**
Current assets				
Other receivables		526	2 726	2 462
Prepaid expenses and accrued income		42 496	33 875	32 714
		43 022	**36 601**	**35 176**
Short-term investments				
Other short-term investments		128 315	236 134	237 095
		128 315	**236 134**	**237 095**
Cash and bank balances				
Cash and bank balances		158 916	114 113	189 573
		158 916	**114 113**	**189 573**
Total current assets		**330 254**	**386 848**	**461 845**
TOTAL ASSETS		**341 481**	**394 673**	**474 798**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		13 359	8 015	13 359
		13 359	**8 015**	**13 359**
Non-restricted equity				
Share premium account		1 623 185	1 404 595	1 623 185
Retained earnings		-1 244 489	-876 267	-875 046
Loss for the period		-132 316	-210 726	-371 814
		246 379	**317 602**	**376 325**
Total equity		**259 738**	**325 617**	**389 684**
Long-term liabilities				
Provision for social security contributions, incentive program	8	107	161	24
		107	**161**	**24**
Short-term liabilities				
Trade payables	9	45 594	8 154	37 910
Tax liabilities		45	349	342
Other liabilities		1 951	3 122	1 025
Accrued expenses and deferred income	9	34 046	57 270	45 813
		81 636	**68 895**	**85 090**
TOTAL EQUITY AND LIABILITIES		**341 481**	**394 673**	**474 798**

STATEMENT OF CHANGES IN EQUITY

(kSEK)		Restricted equity	Non-restricted equity		Total
1 April - 30 June 2023	Note	Share capital	Share premium account	Retained earnings incl. Loss for the	Total equity
Opening balance 1 April 2023		**13 359**	**1 623 185**	**-1 321 510**	**315 035**
Loss for the period		-	-	-56 401	-56 401
Transactions with shareholders					
Employee stock option program	8	-	-	1 105	1 105
		-	-	1 105	1 105
Closing balance 30 June 2023		**13 359**	**1 623 185**	**-1 376 806**	**259 738**
1 April 2022 - 30 June 2022					
Opening balance 1 April 2022		**8 015**	**1 404 595**	**-995 462**	**417 149**
Loss for the period		-	-	-93 256	-93 256
Transactions with shareholders					
Employee stock option program	8	-	-	1 725	1 725
		-	-	1 725	1 725
Closing balance 30 June 2022		**8 015**	**1 404 595**	**-1 086 994**	**325 617**
1 January 2023 - 30 June 2023					
Opening balance 1 January 2023		**13 359**	**1 623 185**	**-1 246 860**	**389 684**
Loss for the period		-	-	-132 316	-132 316
Transactions with shareholders					
Employee stock option program	8	-	-	2 371	2 371
		-	-	2 371	2 371
Closing balance 30 June 2023		**13 359**	**1 623 185**	**-1 376 806**	**259 738**
1 January 2022 - 30 June 2022					
Opening balance 1 January 2022		**8 015**	**1 404 595**	**-879 866**	**532 745**
Loss for the period		-	-	-210 726	-210 726
Transactions with shareholders					
Employee stock option program	8	-	-	3 598	3 598
		-	-	3 598	3 598
Closing balance 30 June 2022		**8 015**	**1 404 595**	**-1 086 994**	**325 617**
1 Januari 2022 - 31 December 2022					
Opening balance 1 January 2022		**8 015**	**1 404 595**	**-879 866**	**532 745**
Loss for the period		-	-	-371 814	-371 814
Transactions with shareholders					
Issue of new shares		5 344	245 138	-	250 482
Capital acquisition cost		-	-26 548	-	-26 548
Employee stock option program	8	-	-	4 819	4 819
		5 344	218 590	4 819	228 753
Closing balance 31 December 2022		**13 359**	**1 623 185**	**-1 246 860**	**389 684**

STATEMENT OF CASH FLOW

SEK thousand	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating activities						
Operating loss		-62 623	-96 006	-140 177	-217 609	-381 549
Adjustments for non-cash items	7	1 782	2 855	4 179	5 568	7 643
Interest received etc.		1 884	30	2 804	78	388
Interest paid etc.		-1	-956	-1	-956	-4
Cash flow from operating activities before changes in working capital		**-58 958**	**-94 078**	**-133 196**	**-212 919**	**-373 523**
Changes in working capital						
Change in receivables		645	21 428	-7 846	-5 300	-3 876
Change in trade payables		-10 113	-19 144	7 683	-26 358	3 398
Changes in other current liabilities		-1 492	-3 443	-11 137	28 646	15 085
		-10 960	**-1 159**	**-11 300**	**-3 012**	**14 607**
Cash flow from operating activities		**-69 918**	**-95 237**	**-144 496**	**-215 931**	**-358 915**
Investing activities						
Acquisition of tangible assets		-	-	-	-17	-7 089
Increase in other short-term investments		-	-9	-40 000	-22	-31
Decrease in other short-term investments		69 055	-	148 781	75 000	75 000
Cash flow from investing activities		**69 055**	**-9**	**108 781**	**74 961**	**67 880**
Financing activities						
Issue of new shares for the year		-	-	-	-	250 482
Capital acquisition cost		-	-	-	-	-26 548
Cash flow from financing activities		**-**	**-**	**-**	**-**	**223 934**
Change in cash and cash equivalents		-863	-95 247	-35 715	-140 971	-67 101
Cash and cash equivalents at beginning of period		155 440	205 683	189 573	247 322	247 322
Exchange rate difference in cash equivalents		4 338	3 677	5 058	7 762	9 352
Cash and cash equivalents at end of period*		**158 916**	**114 113**	**158 916**	**114 113**	**189 573**

*The company's cash and cash equivalents consist of cash and disposable balances with banks and other credit institutions.

KEY FIGURES

SEK thousand	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net sales	-	-	-	-	-
Operating loss	-62 623	-96 006	-140 177	-217 609	-381 549
Loss for the period	-56 401	-93 256	-132 316	-210 726	-371 814
Average number of shares	166 987 895	100 192 737	166 987 895	100 192 737	128 024 053
Earnings per share before and after dilution (SEK) based on average number of shares	-0,34	-0,93	-0,79	-2,10	-2,90
Change in cash and cash equivalents	-863	-95 247	-35 715	-140 971	-67 101
Cash and cash equivalents	158 916	114 113	158 916	114 113	189 573
Short-term investments	128 315	236 134	128 315	236 134	237 095
Total available funds	287 231	350 247	287 231	350 247	426 669
Equity end of period	259 738	325 617	259 738	325 617	389 684
Equity/assets ratio, %	76%	83%	76%	83%	82%
Average number of employees	24	28	24	28	27
Number of employees at end of period	23	27	23	27	26
R&D costs as a percentage of operating expenses	90%	94%	92%	95%	96%

Key performance indicators, definitions

Operating profit/loss, SEK thousand	Net sales less total operating expenses.
Earnings per share, SEK	Profit/loss for the period divided by average number of shares for the period.
Total available funds, SEK thousand	Cash and cash equivalents plus short term investments.
Equity/assets ratio, %	Equity divided by total capital.
R&D costs as a percentage of operating expenses, %	Research and development costs divided by operating expenses.

NOTES

Note 1 General information

This interim report refers to Cantargia AB (publ) ("Cantargia"), corporate ID number 556791-6019. Cantargia has no subsidiaries.

Cantargia is a Swedish public limited company with registered office in Lund, Sweden. The company's address is Ideon Gateway, Scheelevägen 27, SE-223 63 Lund.

The interim report was approved for publication on 22 August 2023 in accordance with a resolution of the Board of Directors on 21 August 2023.

Note 2 Accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and IAS 34 Interim Financial Reporting. The accounting policies applied in preparing this interim report are consistent with those used in preparing the annual report for 2022.

The interim report has been prepared using the cost method. No IFRS or IFRIC interpretations that have not yet become effective are expected to have a material impact on the company. Cantargia applies the alternative performance measures issued by the European Securities and Markets Authority (ESMA).

Note 3 Information on risks and uncertainties

Operational risks

Research and drug development up to approved registration is subject to considerable risk and is a capital-intensive process. The majority of all initiated projects will never reach market registration due to the technological risk such as the risk for insufficiency efficacy, intolerable side effects or manufacturing problems. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profile, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by regulatory decisions, such as approvals and price changes. Although Cantargia's operations have not been significantly affected by external factors such as the COVID-19 pandemic or the war in Ukraine so far, such factors could potentially impact the company negatively by hampering the company's possibilities to conduct clinical trials, get necessary regulatory approvals or conduct sales related activities.

Financial risks

Through its operations, Cantargia is exposed to various types of financial risks; liquidity risk, market risks (currency risk, interest rate risk and other price risk) and credit risks. Cantargia's financial policy governing the management of financial risks has been designed by the board of directors and represents the framework of guidelines and rules in the form of risk mandated and limits for financial activities.

Cantargia is a research and development company that neither has nor is expected to generate revenue in the near term. The company's ongoing and future development of its drug candidates as well as general operations are dependent on the availability of financial resources. Against this background, the board continuously monitors the company's financial situation and evaluates various financing alternatives. It is the board's assessment that the company's available funds at the balance date are sufficient to ensure continued operations.

The company is also affected by foreign exchange risk since the main part of the development costs are paid in EUR and USD. In accordance with Cantargia's financial policy, the company exchanges cash into USD, EUR and GBP based on entered agreements to manage the currency exposure. For more information about the company's financial risk management see note 3 on page 49 in the Annual Report for 2022.

A more detailed description of the company's risk exposure and risk management can be found in the section "Risks and risk management" in the Directors' report on page 33 in the Annual Report for 2022.

Note 4 Critical judgements and estimates

The preparation of financial statements and application of accounting policies are often based on judgements, estimates and assumptions made by management which are deemed reasonable at the time when they are made. The estimates and assumptions applied are based on historical experience and other factors which are deemed reasonable under current circumstances. The results of these are then used to determine carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Any changes are recognized in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

The critical judgements and estimates that are of the greatest importance for Cantargia are described in Note 4 on page 51 in the Annual Report for 2022.

Note 5 Related party transactions

Cantargia has a research agreement with Lund University since 2021, where Gunilla Westergren-Thorsson, Professor in Lung Biology, is engaged in the research. Under the agreement, Gunilla Westergren-Thorsson, who is a related party of an insider at Cantargia, will conduct a project aimed at expanding the knowledge about IL1RAP as part of her employment at Lund University. Under the agreement, Cantargia has the right to use and, if applicable, take over all research results from the projects free of charge. During 2023, the company incurred a cost of SEK 0.0 thousand (650.0) under the agreement.

Cantargia is co-financing a postdoctoral position as part of Lund University's CANFASTER programme where Professor Karin Leandersson is Head of Research. Under the agreement, Karin Leandersson is conducting research aimed at expanding the knowledge about the function of IL1RAP in tumors. Cantargia has the right to research results and IP arising from the project. Karin Leandersson was a member of Cantargia's Board of Directors until the annual general meeting 2023 and was then considered an insider at Cantargia. The CANFASTER programme centers on collaborations between industry and universities and is funded in equal parts by both parties. During 2023, the company incurred a cost of SEK 141.0 thousand (320.6) under the agreement.

The Board considers that the above agreements have been concluded on commercial terms.

Note 6 Costs by nature of expense

On a "by nature" basis, the sum of expenses by function is distributed as follows.

SEK thousand	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Project costs	-43 652	-76 710	-103 104	-178 370	-306 691
Other external expenses	-7 128	-6 576	-14 827	-12 887	-25 951
Personnel expenses	-8 901	-10 380	-17 983	-22 109	-43 317
Other operating expenses	-2 080	-1 467	-2 538	-2 495	-1 899
Depreciation	-863	-874	-1 726	-1 748	-3 692
	-62 623	**-96 006**	**-140 177**	**-217 609**	**-381 549**

Note 7 Adjustments for non-cash items

SEK thousand	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Depreciation	-863	-874	-1 726	-1 748	-3 692
Employee stock option program	-919	-1 028	-2 453	-2 867	-3 951
Value adjustment other short-term investments	-	-953	-	-953	-
	-1 782	**-2 855**	**-4 179**	**-5 568**	**-7 643**

Note 8 Share-based incentive programs

Employee stock option program

The purpose of share-based incentive programs is to promote the company's long-term goals and to create opportunities for the company to retain competent personnel.

Cantargia currently has two active programs and one decided program that cover the company's management, other employees, and consultants. The active programs are the employee stock option program 2020/2023 approved at the Annual General Meeting 2020 and the employee stock option program 2021/2024 approved at the Annual General Meeting 2021. For further information about these programs, see Note 19 in the Annual Report for 2022. The decided but not yet active program refers to the employee stock option program 2023/2026 approved at the Annual General Meeting 2023.

Below is a summary of the total number of shares that granted options may entitle to as of June 30, 2023. Each warrant in the employee stock option program 2020/2023 and 2021/2024 entitles to 1.2 potential ordinary shares. Each warrant in the stock employee stock option program 2023/2026 entitles to 1.0 potential ordinary share.

Full exercise of granted options as of June 30, 2023, corresponding to a total of 4,986,400 shares, would result in a dilution of shareholders by 2.9 per cent. If decided but not allotted options from the option program 2023/2026 are fully exercised, which corresponds to an additional 3,000,000 options, it would result in a total dilution of shareholders by 4.6 per cent.

Changes in existing incentive programs during 2023 (number of warrants)	
Granted instruments	
Employee stock option program 2020/2023	-
Employee stock option program 2021/2024	1 406 000
Employee stock option program 2023/2026	-
Exercised instruments	**-**
Lapsed instruments	
Employee stock option program 2020/2023	-
Employee stock option program 2021/2024	-320 000
Employee stock option program 2023/2026	-
Total change	**1 086 000**

Number of shares granted instruments may entitle to June 30, 2023*	
Employee stock option program 2020/2023	2 100 400
Employee stock option program 2021/2024	2 886 000
Employee stock option program 2023/2026	-
Number of shares granted instruments may entitle to	**4 986 400**

*Recalculation of employee stock option programs after the rights issue in 2022 means that each warrant in the stockoption programs 2020/2023 and 2021/2024 entitles to 1.2 shares. Each warrant in the stock program 2023/2026 entitles to 1.0 share.

Note 9 Short-term liabilities

The relatively large change in accounts payables (increase) and accrued expenses (decrease) in June 2023 compared with June 2022 is mainly due to that received but not yet verified invoices is classified as "accounts payables" in 2023, whereas in June 2022, they were classified as "accrued expenses".

SUBMISSION OF INTERIM REPORT

This is information that Cantargia AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication through the Chief Executive Officer on 22 August 2023, at 8:30 a.m.

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