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## **Kancera resolves on a rights issue of approximately SEK 121.9 million**

The board of directors of Kancera AB ("Kancera" or the "Company"), has today, based on the issue authorization from the annual general meeting held on May 25, 2023, resolved on a new share issue with preferential rights for the Company's existing shareholders of approximately SEK 121.9 million (the "Rights Issue"). The objective of the Rights Issue is to secure resources to advance the Company's development program, consisting of the candidate drugs KAND567 and KAND145, to start of new clinical studies, including a pivotal study in cardiovascular disease.

*"With the positive top line results from the FRACTAL study, Kancera is very well positioned for its continued company transformation and value building. Based on the top line results, we see a significant potential for our anti-inflammatory fractalkine blockers to provide a new drug therapy that may reduce the risk of mortality for myocardial infarction patients undergoing acute percutaneous coronary intervention. The planned rights issue will enable Kancera to advance our clinical development program, including initiating time-critical development and manufacturing activities in order to start a pivotal study, activities that will be conducted in parallel with our work to establish a partnership for the commercialization of our candidate drugs", says Peter Selin, CEO of Kancera AB.*

### **The Rights Issue in brief**

- The Rights Issue comprises no more than 66,223,461 shares in the Company and may result in an increase of the Company's share capital of no more than SEK 6,436,218.022012.
- The subscription price has been set to SEK 1.84 per new share, which results in total issue proceeds of approximately SEK 121.9 million before deduction of issue costs of approximately SEK 18.0 million.
- Those who on the record date March 1, 2024, are registered as shareholders in Kancera and are eligible to participate in the Rights Issue will receive thirteen (13) subscription rights. Sixteen (16) subscription rights entitle to the subscription of one (1) new share.
- The record date for the right to receive subscription rights in the Rights Issue is March 1, 2024. The last day of trading in the Company's shares including the right to receive subscription rights in the Rights Issue is February 28, 2024.

- The subscription period will take place during the period from and including March 5, 2024, up to and including March 19, 2024, or such later date as resolved and announced by the board of directors.
- The Rights Issue is covered by subscription undertakings up to approximately 0.4 per cent and by guarantee commitments up to approximately 59.5 per cent, corresponding to a total of approximately 59.9 per cent of the Rights Issue.

## **Background and objectives**

Kancera develops pharmaceutical drugs for life-threatening diseases that currently lack effective treatments. The Company conducts its business at Karolinska Institutet Science Park in Solna. The Company is focusing its resources on developing a new class of small molecule drug candidates that target the fractalkine axis. Kancera is developing two drug candidates in this area, the small molecule fractalkine blockers KAND567 and KAND145, which control immune cells and cancer cells with high precision.

The fractalkine axis plays an important role in promoting severe inflammatory diseases and cancers. Kancera sees significant business opportunities in several disease conditions but is primarily focusing on two areas: organ injuries in cardiovascular disease caused by excessive inflammatory responses and treatment-resistant ovarian cancer, both with significant medical need and market potential.

Kancera has three ongoing clinical development projects:

- The FRACTAL study: a phase IIa study with KAND567 in high-risk ST-elevation myocardial infarction (STEMI) patients undergoing percutaneous coronary intervention. In December 2023, Kancera reported top line results from the study, demonstrating that both the primary and secondary objectives were met.
- The KANDOVA study: a combined phase Ib/IIa study with KAND567 in ovarian cancer patients with relapsed disease after treatment with platinum-based chemotherapy. The study started in April 2023 and Kancera's goal is to complete the Phase Ib part of the studies in the second quarter of 2024 and to present initial results in the fourth quarter of 2024.
- Phase I study of KAND145, a first-in-human study of the Company's second generation fractalkine blocking drug candidate. The study started in November 2023 and the Company expects that the top line results can be presented in the second quarter of 2024.

Based on the positive topline results from the FRACTAL study, the Company's goal is now to enter into a partnership with a pharmaceutical company for the continued clinical development and commercialization of KAND567 in cardiovascular diseases. The Company sees a good opportunity in establishing such a partnership, however based on experience, there can be a long lead time.

Shortening the lead time up until the start of pivotal studies is critical in order to maximize sales and the value of the program. As the Company believes that this will contribute to value growth in a significant way, the Company intends to initiate and conduct the critical path activities for start of a pivotal study, in parallel with the Company's business development activities aiming to establish a partnership.

In order to secure the resources required to conduct these critical path activities, Kancera has decided to carry out a Rights Issue. In the event of a fully subscribed Rights Issue, the Company will receive approximately SEK 121.9 million before transaction costs, which upon full subscription are expected to amount to approximately SEK 18.0 million (of which approximately SEK 8.7 million constitutes guarantee compensation). The net proceeds from the Rights Issue thus amount to approximately SEK 103.9 million.

The net proceeds at full subscription are intended to be used for the following uses, listed in order of priority:

- Establish manufacturing capabilities for KAND567 and KAND145 for pivotal studies and commercial supply, through sourcing of and tech transfer to new contract manufacturers with larger scale – 40 per cent
- Be ready to start a pivotal clinical study in cardiovascular diseases, including study design, study protocols and regulatory applications – 25 per cent
- Be ready to start a new clinical study in subjects or patients for evaluation of a new product formulation or clinical treatment – 20 per cent
- General operational management of the Company during 2024–2025 – 15 per cent

### **Terms of the Rights Issue**

Those who, on the record date March 1, 2024, are registered by Euroclear Sweden AB as shareholders in Kancera and are eligible to participate in the Rights Issue will receive thirteen (13) subscription rights. Sixteen (16) subscription rights entitle to the subscription of one (1) new share. In addition, the Company offers the possibility to subscribe for shares without subscription rights.

Assuming that the Rights Issue is fully subscribed, the Company's share capital will increase by SEK 6,436,218.022012 through the issue of 66,223,461 shares. The subscription price has been set to SEK 1.84 per new share, corresponding to total issue proceeds of approximately SEK 121.9 before the deduction of issue costs of approximately SEK 18.0, provided that the Rights Issue is fully subscribed.

The existing shares are traded including the right to receive subscription rights up to and including February 28, 2024, and the first day of trading in shares excluding the right to receive subscription rights is February 29, 2024. The subscription period takes place during the period from and including March 5, 2024, up to and including March 19, 2024. Kancera's board of directors has the right to resolve upon an extension of the subscription period which, when applicable, will be announced through a press release as soon as such decision has been made.

Existing shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully subscribed, have their ownership diluted by approximately 44.8 per cent, but are able to financially compensate for this dilution by selling their subscription rights. Unexercised subscription rights must be sold within the specified trading period stated above in order not to lapse without value.

The complete terms for the Rights Issue, including allocation principles, and information regarding Kancera will be presented in the prospectus regarding the Rights Issue, which will be published on or around March 1, 2024, and will be available on the Company's website [www.kancera.com](http://www.kancera.com).

### **Subscription commitments and guarantee undertakings**

Kancera has received subscription undertakings from certain members of the board and executive management (including Erik Nerpin, Thomas Olin, Peter Selin and Charlotte Edenius), amounting to approximately SEK 0.5 million, corresponding to approximately 0.4 percent of the Rights Issue. Furthermore, a number of external investors have entered into guarantee undertakings of SEK 72.5 million, corresponding to approximately 59.5 percent of the Rights Issue. The Rights Issue is thus covered by subscription and guarantee undertakings of approximately SEK 73.0 million, corresponding to approximately 59.9 percent of the Rights Issue.

A guarantee compensation of twelve (12) percent of the guaranteed amount in cash, alternatively compensation in shares of fourteen (14) percent of the guaranteed amount, will be paid to the parties

that have entered into guarantee undertakings. Upon full utilization of the possibility to receive guarantee compensation in shares, the number of shares will increase by 5,516,304 and the share capital will increase by SEK 536,126.241118, corresponding to a total dilution effect of approximately 3.6 percent of the total number of shares and votes in the Company, provided that the Rights Issue is fully subscribed. No compensation is paid for subscription commitments. Neither subscription commitments nor guarantee undertakings are secured by bank guarantees, blocked funds, pledged assets or similar.

### **Lock-up agreements**

In connection with the Rights Issue, the board of directors and senior management with shareholdings in Kancera have undertaken towards Vator Securities AB, subject to customary exceptions, not to sell or carry out other transactions with a similar effect as a sale unless, in each individual case, first having obtained written approval from Vator Securities AB. Decisions to give such written consent are resolved upon by Vator Securities AB and an assessment is made in each individual case. Consent may depend on both individual and business reasons. The lock-up undertakings cover the shares held prior to the Rights Issue and the subscription rights received in connection to the rights issue. The lock-up period lasts for 180 days after the announcement of the Rights Issue.

### **Indicative timetable for the Rights Issue**

February 28, 2024	Last day of trading in the Company's shares, including the right to receive subscription rights
February 29, 2024	First day of trading in the Company's shares, excluding the right to receive subscription rights
March 1, 2024	Record date for the Rights Issue
March 1, 2024	Publication of the prospectus
March 5, 2024 - March 14, 2024	Trading in subscription rights
March 5, 2024 - March 19, 2024	Subscription period
March 5, 2024 - Until the Rights Issue is registered with the Swedish Companies Registration Office	Trading in paid subscribed shares
March 21, 2024	Publication of the final outcome of the Rights Issue

### **Advisors**

Vator Securities AB is acting as Sole Global Coordinator and Advokatfirman Lindahl KB is legal advisor to the Company in connection with the Rights Issue.

### **For more information, please contact:**

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*This information is information that Kancera AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on February 23, 2024, 08.35 CET.*

### **About Kancera AB (publ)**

Kancera is developing a new class of small molecule drugs targeting the fractalkine axis. Kancera's main focus is to develop its candidate drugs for treatment of severe inflammatory diseases and cancer that currently lack effective treatments. The stock is traded on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is the Company's Certified Adviser.

### **Important information**

The publication, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions and the recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Kancera in any jurisdiction, neither from Kancera nor from someone else.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus regarding the Rights Issue will be published by the Company prior to commencement of the subscription period in the Rights Issue.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information relating to the Rights Issue contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Vator Securities is acting for Kancera in connection with the Rights Issue and for no one else. Vator Securities will not be responsible to anyone other than Kancera for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offer of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the USA, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other

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#### *Forward-looking Statements*

This press release contains forward-looking statements that reflect the Company’s intentions, beliefs, or current expectations about and targets for the Company’s and the group’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or that the assumptions on which it is based is correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of the date of this press release and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq First North Growth Market Rulebook for Issuers of Shares.