Interim Report Fourth Quarter 2023

October 1 – December 31 2023

Kancera AB | Org.nr. 556806-8851

The period in brief.

Significant events during the fourth quarter

- Kancera reported that FIMEA has granted approval to conduct a phase I study of KAND145.
- Kancera reported that the phase I study of KAND145 has started.
- Kancera reported that additional sites have been added to the KANDOVA study and that in total five sites in Sweden, Norway and Denmark are now part of the study.
- Kancera submitted applications to the applicable regulatory authorities and ethical committees in Sweden, Norway and Denmark for modification of the KANDOVA study protocol, with specific regards to the patient inclusion criteria
- Kancera reported positive top line results from the FRACTAL study
- Kancera reported that it is exercising its option to obtain the rights to the results from the FRACTAL study from the University of Newcastle
- Kancera submitted applications to the WHO to obtain non-proprietary names for KAND567 and KAND145.

Significant events after the end of the reporting period

- Kancera has reported detailed results from statistical analyses of the FRACTAL study results.
- Kancera has signed a license agreement with the University of Newcastle concerning the exclusive global rights to the results from the FRACTAL study, including a submitted patent application.
- Kancera has received approval of the adjusted KANDOVA study protocol from all regulatory authorities and ethical committees.
- Kancera has completed the first part of the ongoing phase I study of KAND145.
- Kancera announces a planned rights issue.

October - December
Financial summary for the fourth quarter

- Net sales amounted to SEK 0 million (SEK 0).
- R&D expenses amounted to SEK 17,1 million (SEK 11,6 million).
- Operating income for the fourth quarter amounted to SEK -18,5 million (SEK -14,0 million).
- Income after financial items for the fourth quarter amounted to SEK -18,5 million (SEK -14,0 million).
- Earnings per share, before and after dilution, for the fourth quarter amounted to SEK -0.23 (SEK -0.22).
- Cash flow from operating activities for the fourth quarter amounted to SEK -12,5 million (SEK -9,8 million).
- Equity amounted to SEK 47,7 million (SEK 106,9 million) or SEK 0.58 (SEK 1.34) per share.
- The equity ratio was 73 percent (89 percent).
- Cash and cash equivalents amounted to SEK 45,7 million (SEK 95,1 million).

January - December
Financial summary for the full year

- Net sales amounted to SEK 0 million (SEK 0).
- R&D expenses amounted to SEK 58,0 million (SEK 45,6 million).
- Operating income amounted to SEK -65,0 million (SEK -51,9 million).
- Income after financial items amounted to SEK -64,9 million (SEK -52,5 million).
- Earnings per share, before and after dilution, amounted to SEK -0.81 (SEK -0.90).
- Cash flow from operating activities amounted to SEK -55,7 million (SEK -48,2 million).
- Equity amounted to SEK 47,7 million (SEK 106,9 million) or SEK 0.58 (SEK 1.34) per share.
- The equity ratio was 73 percent (89 percent).
- Cash and cash equivalents amounted to SEK 45,7 million (SEK 95,1 million).

CEO statement.

The results from the FRACTAL study put Kancera in a stronger position than ever, with significant opportunities for value growth

Peter Selin, VD

"2023 was a very eventful year for Kancera and ended successfully with the positive results from the FRACTAL study, an explorative phase IIa study of our lead program KAND567 in myocardial infarction. We were very happy to report that both the primary objective – to demonstrate safety and tolerability, and the secondary objective – to identify signals of cardio-protective effects, were met.

In total, 71 patients were enrolled in the study, and the fact that we despite the limited number of patients were able to demonstrate clear signals of cardio-protective effect, is a major success for Kancera. The signals of cardio-protective effect seen are believed to be of high clinical relevance, as they are associated with improved long-term outcomes, and our expectation is that the primary endpoints in upcoming pivotal studies will focus on patient outcomes. More specifically, the results from the FRACTAL study showed:

- trend of reduced frequency of intramyocardial hemorrhage, which is associated with a reduced risk of heart failure. Heart failure is classified as a "Major Adverse Cardiovascular Event", or MACE, and a well-established efficacy endpoint in pivotal studies.

- a statistically significant reduction of left ventricular thrombosis, which is associated with systemic embolism, such as stroke. Stroke is also categorized as a MACE and an established efficacy endpoint in pivotal studies.

In addition, our detailed sub-group analyses have shown a trend of reduced infarction size in patients where intramyocardial hemorrhage has been prevented. We also see that this trend of reduced infarction size is greater in the KAND567 group, which underlines the signal of KAND567's cardio-protective effect.

Overall, the results from the FRACTAL study put Kancera in a very strong position, from where we can continue the development of the fractalkine program as well as continue the transition as a company and build a strong clinical pipeline with significant value triggers. We are now initiating the work to design the next clinical study in cardiovascular disease, while continuing our detailed analyses of the study results that will provide valuable input to the study design. We plan for that the next clinical study in cardiovascular disease will be a combined phase IIb/III pivotal study. In parallel with these activities, we are working very actively with business development to establish a partnership for the continued development and commercialization of Kancera's drug candidates.

In addition to the successful outcome of the FRACTAL study, Kancera has made important progress in the cancer program. In the KANDOVA study, a combined phase Ib/IIa study in ovarian cancer, two additional sites were added during the period, and we now have five university hospitals in Sweden, Norway and Denmark that are recruiting patients. During the period, we submitted an application to modify the study protocol, with the objective of increasing the number of eligible patients. After the reporting period, this application has received approval in all countries in which the study is being conducted. The modified protocol has been implemented at all sites and we

are encouraged by having seen an immediate effect and that the number of patients that meet the enrollment criteria has increased. As of today, 3 patients out of the 6-12 patients in total anticipated to be required to finalize phase Ib have been recruited and we see a promising trend of more patients in screening.

During the reporting period, we also started the first clinical study of KAND145. Regulatory approval from FIMEA was received in October and we started dosing of subjects in November. KAND145 has the same mode of action as KAND567 with improved product properties. KAND145 is a so called "pro drug", that is dephosphorylated in human to KAND567. Kancera's strategy is to ultimately develop KAND145 for indications that require high peroral doses or i.v. infusion during a long period of time, such as cancer and certain inflammatory conditions.

After the period, Kancera has reported that the first part of the study; with single ascending dosing of KAND145, has been completed. The results show that KAND145 is dephosphorylated in human to KAND567 as expected and that the pharmacokinetic profile is equal to that of KAND567, following dephosphorylation. Further, the results show that KAND145 is safe and tolerable when given as single dose at the concentration that is expected to be therapeutically active to treat inflammatory conditions. Through these results, Kancera has reached an important milestone with a second candidate drug that has demonstrated adequate pharmaceutical properties in human and that it has been confirmed that KAND145's mechanism of action is identical to that of KAND567. Accordingly, these results validate Kancera's strategy, to evaluate the concept of fractalkine blockers using KAND567 as a lead, in parallel with the first clinical studies of the second generation KAND145.

Having now completed five clinical studies with KAND567, including the recent FRACTAL study, and two ongoing clinical studies, KANDOVA and the first-in-human study of KAND145, Kancera is very well positioned to take the next transitional step. Based on the positive results from the FRACTAL study, with clear indications of cardio-protective effects, we believe that our fractalkine program has the opportunity to become av valuable addition to the treatment of ST-elevation myocardial infarction patients and decrease the risk of mortality. With these results, we believe that we have a very good opportunity to establish partnership for the continued development and commercialization of our candidate drugs. In order to maximize the value of the fractalkine program, it is absolutely critical to initiate the "critical path" activities up until the start of a pivotal study. In order to be able to conduct these time critical activities prior to a partnership being in place, Kancera intends to secure additional capital and has decided to raise new capital through a rights issue.

We are aware that the announced rights issue is being conducted in a very challenging situation on the financial market. Having said this, we are convinced that by raising new capital we are increasing our ability to create value growth, as the rights issue will enable us to advance our clinical development program and increases the opportunity to sign a partnering deal.

To wrap up, I would like to repeat my initial words in this report – 2023 was a very eventful and successful period for Kancera. With the results delivered during the period and the ongoing clinical studies in our pipeline, Kancera is in a stronger position than ever before, and I look forward with confidence to what we can deliver in 2024."

Peter Selin, CEO
Solna, February 23 2024
Kancera AB

About **Kancera.**

Leaders in the development of a new class of drugs for treatment of life- threatening diseases with high medical needs

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. Kancera's vision is to develop new drugs that contribute to more efficient care and a normalized life for patients. 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 is operated by a management team and board of directors, with solid expertise and experience in translating discoveries of new disease mechanisms into drug candidates and developing these through clinical studies up to and including market approval. Since its foundation in 2010, Kancera has researched, patented and published several new disease mechanisms and preclinical drug candidates. The company has subsequently demonstrated the ability to advance these preclinical projects into clinical development phase and demonstrate pharmacological effect in human.

Kancera has three ongoing clinical development projects with significant value potential:

- The FRACTAL study: a recently completed phase IIa study of KAND567 in myocardial infarction patients undergoing percutaneous coronary intervention
- The KANDOVA study: an ongoing combined phase Ib/IIa study of KAND567 in ovarian cancer patients with relapsed disease
- The KAND145 First-In-Human study: an ongoing phase I study of Kancera's second generation fractalkine blocker

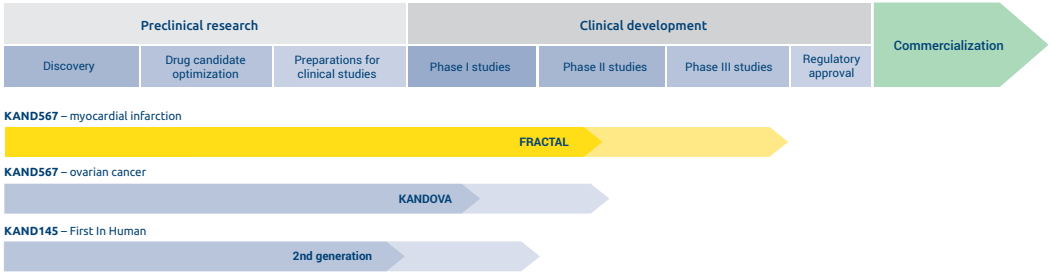
Business model

Kancera's business model is to develop innovative drug candidates with solid IP, demonstrate efficacy in patients in clinical studies and, based on these, enter into collaboration agreements with other pharmaceutical companies, that are focusing on specialty care. Through this business model, the portfolio risk and need for capital is reduced. Partner agreements allow Kancera to out-license rights to development and commercialization in defined territories in exchange for revenue in the form of payment at signing, milestone payments and royalty revenues on partner sales.

Pipeline

Kancera is developing a new class of drugs for treatment of life- threatening diseases with high medical needs

Kancera's research and development portfolio



The FRACTAL study – recently completed phase IIa study of KAND567 in myocardial infarction

The FRACTAL study is a clinical phase IIa study of Kancera's fractalkine blocking drug candidate KAND567 in myocardial infarction patients undergoing percutaneous coronary intervention. The study, a randomized, two-arm, placebo-controlled, double-blind study, is conducted in collaboration with the University of Newcastle and the Newcastle upon Tyne Hospitals NHS Foundation Trust (NHS), the latter also being the sponsor of the study, at the two hospitals Freeman Hospital in Newcastle and James Cook Hospital in Middlesbrough.

In December 2023, Kancera presented positive top line results from the study and reported that:

- The primary objective was met – to demonstrate safety and tolerability
- The secondary objective was met – to demonstrate signals of cardio-protective effect. The key signals of cardio-protective effect were a trend of reduced intramyocardial hemorrhage and a statistically significant reduction of left ventricular thrombosis.

Kancera views these signals as having high clinical relevance, as they are established markers of heart failure and stroke, respectively, both established efficacy endpoints in pivotal studies.

In the FRACTAL study, treatment with KAND567 started with a bolus dose, given i.v. prior to the PCI. After PCI, the patient continued to receive KAND567 through i.v. infusion for approximately 6 hours, followed by peroral administration for up to 72 hours until the patient was discharged from the hospital after three days.

In total, 71 patients were enrolled in the study and were included in the evaluation of the primary endpoints, related to safety and tolerability. After Day 3, 61 patients had completed MRI and were included in the evaluation of secondary and exploratory endpoints, related to cardio-protective effects and immune markers.

Continued detailed analysis of data is ongoing and will provide important input to the study design of the next clinical study. Kancera is planning for the next clinical study in cardiovascular disease to be a combined phase IIb/III pivotal study.

The KANDOVA -study – combined phase Ib/IIa study of KAND567 in ovarian cancer

The KANDOVA-study is an ongoing one-arm, open-label, multi-centre combined phase Ib/IIa study of KAND567 in combination with carboplatin therapy in ovarian cancer patients with relapsed disease.

The study is conducted at several leading university hospitals in Sweden, Norway and Denmark in collaboration with the clinical trials unit of the Nordic Society of Gynaecological Oncology (NSGO-CTU), a society of leading academic hospitals and gynaecological clinicians in the Nordic countries.

In the KANDOVA study, patients receive KAND567 treatment during two weeks in connection with each carboplatin treatment cycle, given every third week. The first part of the study (phase Ib) has a dose escalation design. This means that the patient first receives a low dose of KAND567. If this is tolerable the dose is increased in the next treatment cycle. The objective of the first part of the study is to identify the maximum tolerable dose of KAND567 which will then be the recommended dose for the second part (phase IIa).

The primary objective is to evaluate safety and tolerability. The secondary objective is to evaluate signals of treatment efficacy. In addition, the effects of treatment with KAND567 are evaluated in a number of exploratory endpoints. Kancera's objective is to finalize the phase Ib part of the study in Q2 2024 and to present top line results before the end of 2024.

First in human study of KAND145 – phase I study in healthy subjects

The study design is a randomized, double-blind and placebo-controlled phase I study of KAND145 in healthy subjects to evaluate safety, tolerability, pharmacological effect, food effect after oral single and multiple ascending dosing of KAND145 and drug interaction after multiple ascending dosing.

The study is conducted at two sites in Finland and in total approximately 50 study subjects are expected to be enrolled, of which approximately ¾ of subjects will receive active substance and ¼ of subjects will receive placebo.

The study started in November 2023 and the first part of the study involving single ascending dosing of KAND145, has been completed. Currently, the second part of the study with multiple ascending dosing is ongoing and top line results are planned to be reported during the second quarter of 2024.

For more information on medical needs and marketing opportunities, see Annual Report 2022 on Kancera's website www.kancera.com

Kancera's CEO Peter Selin with Dr. Hanna Dahlstrand, primary investigator in the KANDOVA study

Financial development in summary

Kancera Group	Oct 1 - Dec 31		Jan 1 - Dec 31	
KSEK (unless otherwise specified)	2023	2022	2023	2022
Net sales	0	0	0	0
Other operating revenues	443	27	1 035	753
Operating expenses	-19 429	-14 000	-66 077	-52 687
R&D expenses	-17 056	-11 595	-57 989	-45 608
Operating Income	-18 986	-13 973	-65 042	-51 934
Income after financial items	-18 468	-14 011	-64 889	-52 484
Net income	-18 468	-14 011	-64 889	-52 484
Cash flow from operations	-12 528	-9 832	-55 672	-48 158
Cash	45 692	95 149	45 692	95 149
Equity	47 665	106 912	47 665	106 912
Key ratios				
R&D costs as share of total costs	88%	83%	88%	87%
Earnings per share, before and after dilution (SEK)	-0,23	-0,22	-0,81	-0,90
Cash flow per share (SEK)	-0,15	-0,12	-0,68	-0,61
Equity per share (SEK)	0,58	1,34	0,58	1,34
Total assets	65 643	120 738	65 643	120 738
Equity ratio	73%	89%	73%	89%
No. of employees	3	5	3	5

Comments on financial developments

As is described in the About Kancera section, Kancera's business model is to develop drug candidates, demonstrate efficacy in patients in clinical studies and based on these, enter into collaboration agreements with other pharmaceutical companies by licensing out rights to development and commercialization in defined territories in exchange for milestone payments and royalties.

As Kancera has not yet established any collaboration agreements, the company has no revenues from milestone payments or royalties. Until collaboration agreements are established, the company is financing its business on the stock market. As from 2016, Kancera is listed on the Nasdaq First North Premier Growth Market.

The company's operating expenses are primarily derived from research (preclinical development) and clinical development. The costs for conducting clinical development are significantly higher than for preclinical development and as the company has advanced its drug candidates from discovery to clinical stages, the company's operating expenses have increased. During the reporting period, Kancera has had three ongoing clinical studies (please refer to the "Pipeline" section for further information).

Income and profit
Fourth quarter, October – December 2023

- Net sales during the quarter amounted to SEK 0 million (SEK 0 million).
- Costs during the quarter amounted to SEK 19,4 million (SEK 14,0 million), of which costs for Research & Development constitute the major part and amounted to SEK 17,1 million (SEK 11,6 million). Costs during the period were higher compared to the same period in the previous year, primarily explained by a license fee to University of Newcastle for the acquisition of the results from the FRACTAL study (one-off item amounting to approximately SEK 3 million), and general cost inflation.
- Remaining costs are related to Sales and General Administration expenses that amounted to SEK 2,4 million (SEK 2,4 million). Kancera does not have any product sales and Sales expenses primarily refer to costs for business development and market access planning.
- Income after financial items during the quarter amounted to SEK -18,5 million (SEK -14,0 million)
- Earnings per share for the quarter, based on a weighted average of the number of shares outstanding, amounted to SEK -0.23 (SEK -0.22).

January – December 2023

- Net sales during the period amounted to SEK 0 million (SEK 0 million).
- Costs during the period amounted to SEK 66,1 million (SEK 54,7 million), divided between costs for Research & Development SEK 58,0 million (SEK 45,6 million), and other Sales and General administration expenses SEK 8,1 million (SEK 7,1 million).
- The costs during the period include two one-off items; approximately SEK 3 million for the license fee to University of Newcastle and a write down of SEK 3 million for the ROR1 project. Adjusted for these one-off items, the total operating expenses were 60,1 million and total R&D costs were SEK 52,0 million. The increase in costs compared to the previous year are primarily explained by increased R&D costs with three ongoing clinical studies and general cost inflation.
- Income after financial items during the period amounted to SEK -64,9 million (SEK -52,5 million).
- Earnings per share for the period, based on a weighted average of the number of shares outstanding, amounted to SEK -0.81 (SEK -0.90).

Consolidated statement of comprehensive income

Consolidated statement of comprehensive Income

	Oct 1- Dec 31		Jan 1 - Dec 31	
KSEK	**2023**	**2022**	**2023**	**2022**
Operating revenues				
Net sales	0	0	0	0
Other operating revenues	443	27	1 035	753
Total revenues	**443**	**27**	**1 035**	**753**
Operating expenses				
G&A expenses	-1 787	-1 293	-6 347	-4 685
M&S expenses	-586	-1 112	-1 741	-2 394
R&D expenses	-17 056	-11 595	-57 989	-45 608
Total operating expenses	**-19 429**	**-14 000**	**-66 077**	**-52 687**
Operating income	**-18 986**	**-13 973**	**-65 042**	**-51 934**
Income before financial items				
Financial net	518	-38	153	-550
Income after financial items	**-18 468**	**-14 011**	**-64 889**	**-52 484**
Tax	0	0	0	0
Net income	**-18 468**	**-14 011**	**-64 889**	**-52 484**
Average number of shares (thousands), before and after dilution	81 506	64 199	79 620	58 158
Number of shares at closing date (thousands)	81 506	79 528	81 506	79 528
Earnings per share, before and after dilution	-0,23	-0,22	-0,49	0,67

Condensed consolidated statement of financial position

Condensed consolidated statement of financial position

Kancera Group *KSEK*	Dec 31 2023	 2022
Assets		
Non-current assets		
Intangible assets		
Capitalized R&D	18 000	21 000
Tangible assets		
Lease assets	0	0
	0	247
Financial assets		
Financial placements	1	1
Total non-current assets	**18 001**	**21 248**
Current assets		
Trade receivables and other receivables	1 950	4 341
Cash and cash equivalents	45 692	95 149
Total current assets	**47 642**	**99 490**
Total assets	**65 643**	**120 737**
Equity and Liabilities		
Equity		
Equity	47 665	106 912
Total equity	**47 665**	**106 912**
Liabilities		
Long-term liabilities	0	0
Short-term liabilities	17 978	13 826
Total liabilities	**17 978**	**13 826**
Total equity and liabilities	**65 643**	**120 738**

Statement of changes in equity

Consolidated report on changes in equity				
Kancera Group, Jan 1 2022 - Dec 31 2022		Other	Accumulated	Total
KSEK	Share capital	capital contributions	deficit	equity
Fourth quarter				
Inboing balance Oct 1 2022	46 786	75 750	-38 473	84 063
Comprehensive income				
Net income for the period			-14 011	-14 011
Total comprehensive income			-14 011	-14 011
Transactions with shareholders	0	0		
Capital injections	19 487	27 442		46 929
Capital injection costs		-10 070		-10 070
Ongoing share issue				0
Total transactions with shareholders	19 487	17 372		36 859
Closing balance 2022-12-31	**66 273**	**93 122**	**-52 484**	**106 912**
The period January - December				
Ingoing balance Jan 1 2022	**46 786**	**121 436**	**-45 686**	**122 536**
Comprehensive income				
Appropriation of last year´s net income		-45 686	45 686	
Net income for the period			-52 484	**-52 484**
Total comprehensive income	0	-45 686	-6 798	-52 484
Transactions with shareholders				
Capital injections	19 487	27 442		46 929
Capital injection costs		-10 070		-10 070
Ongoing share issue				0
Total transactions with shareholders	19 487	17 372		36 859
Outgoing balance Dec 31 2022	**66 273**	**93 122**	**-52 484**	**106 912**

Statement of changes in equity (cont´d)

Kancera Group, Jan 1 2023 - Dec 31 2023 *KSEK*	Sharecapital	Other capital contributions	Accumulated deficit	Total equity
Fourth quarter				
Ingoing balance Oct 1 2023	67 921	44 617	-46 421	66 119
Comprehensive income				
Appropriation of last year´s net income				
Net income for the period			-18 468	-18 468
Total comprehensive income			-18 468	-18 468
Transactions with shareholders				
		15		
Reduction share capital	-60 000			0
Total transactions with shareholders	-60 000	15	0	0
Outgoing balance Dec 31 2023	**7 921**	**44 632**	**-4 889**	**47 665**
The period January-December				
Ingoing balance Jan 1 2023	**66 273**	**93 122**	**-52 484**	106 912
Comprehensive income				
Appropriation of last year´s net income		-52 484	52 484	
Net income for the period			-64 889	-64 889
Total comprehensive income	0	-52 484	-64 889	-64 889
Transactions with shareholders				
Capital injections	1 648	4 284		5 932
Capital injection costs		-290		-290
Reduction share capital	-60 000		60 000	
Total transactions with shareholders	-58 352	3 994	60 000	5 642
Outgoing balance Dec 31 2023	**7 921**	**44 632**	**-4 889**	**47 665**

Cash flow statement

Condensed consolidated statement of cash flow				
	Oct 1 - Dec 31		Jan 1 - Dec 31	
KSEK	2023	2022	2023	2022
Cash flow from operations				
Operating income after financial items	-18 468	-14 011	-64 889	-52 484
Depreciation	0	90	3 000	360
Taxes paid	0	31	0	732
Other non-cash flow items	-260	0	13	-40
Cash flow from operating activities before	**-18 728**	**-13 890**	**-61 876**	**-51 432**
change in working capital				0
Change in working capital	6 200	4 058	6 204	3 274
Operating cash flow	**-12 528**	**-9 832**	**-55 672**	**-48 158**
Investment activities				
Cash flow from investments	**0**	**0**	**0**	**0**
				0
Free cash flow	**-12 528**	**-9 832**	**-55 672**	**-48 158**
Financing activities				
Change in debt referrable to financing activities	0	0	0	0
Issue of shares/other capital infusions	0	36 759	-	
Repayment of loans	0	0		
Cash flow from financing activities	**0**	**36 759**	**6 215**	**36 786**
Total cash flow	**-12 528**	**26 927**	**-49 457**	**-11 372**
Cash and cash equivalents at the beginning of the period	58 220	68 221	95 149	106 521
Cash and cash equivalents at the end of the period	45 692	95 149	45 692	95 149

Condensed income statement parent company

Condensed Parent Company Income Statement

The Parent Company Kancera AB

KSEK	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2023	**2022**	**2023**	**2022**
Operating revenues				
Net sales	0	0	0	0
Other operating revenues	443	28	1 035	754
Total revenue	443	28	1035,1	754
Gross profit	**443**	**28**	**1035,1**	**754**
Operating expenses				
G&A expenses	-1 787	-1 323	-6 347	-4 715
M&S expenses	-586	-1 169	-1 741	-2 451
R&D expenses	-17 056	-11 509	-57 989	-45 522
Total operating expenses	**-19 429**	**-14 001**	**-66 077**	**-52 688**
Operating income	**-18 986**	**-13 973**	**-65 042**	**-51 934**
Income before financial items				
Financial net	518	-1	153	-433
Income after financial items	**-18 468**	**-13 974**	**-64 889**	**-52 367**
Tax	0	0	0	0
Net income	**-18 468**	**-13 974**	**-64 889**	**-52 367**

Condensed balance sheet parent company

Condensed Parent Company Balance Sheet

The Parent Company Kancera AB

KSEK

	Dec 31	
Assets	2023	2022
Non-current Assets		
Intangible assets		
Capitalized R&D	18 000	21 000
Tangible assets		
Lease assets		
Financial assets		
Shares in subsidiaries	50	50
Financial placements	1	1
Total non-current assets	**18 051**	**21 051**
Current assets		
Intercompany receivables	2	1
Trade receivables and other rec	1 948	4 341
Cash and cash equivalents	45 642	95 101
Total current assets	**47 592**	**99 443**
Total assets	**65 643**	**120 494**
Equity and Liabilities		
Equity	47 665	108 227
Total equity	**47 665**	108 227
Liabilities		
Short-term liabilities	17 978	12 266
Total liabilities	**17 978**	**12 266**
Total equity and liabilities	**65 643**	**120 494**

Financial position and cash flow

Balance sheet and cash flow

- Total equity on December 31, 2023 amounted to SEK 47,7 million (SEK 106,9 million).
- The equity ratio on December 31, 2023 was 73 percent (89 per cent).
- Equity per share was SEK 0.58 (SEK 1.34).
- Cash flow from operating activities amounted to SEK -12,5 million (SEK -9,8 million) or SEK –0.15 per share (SEK -0.12). The negative cash flow was lower than the operating expenses, that amounted to SEK 19,4 million during the period, as some larger operating costs, due for payment in Q1 2024, were recorded during the period.
- The cash position was SEK 45,7 million (SEK 95,1 million) as of December 31, 2023. It is the board and management's opinion that current cash is sufficient to finance current business up until the end of 2024 and to finalize the ongoing KANDOVA and KAND145 phase I studies, based on current planning assumptions. However, current cash will not be sufficient to finance new activities, such as continued clinical development of KAND567 in cardiovascular diseases. The company therefore intends to raise new capital through a rights issue. The terms of this planned rights issue are presented in a separate press release, released today on February 23, 2024. It is the board and management's opinion that the capital raised through the planned rights issue will ensure the group's continued operations.

Employees

Kancera AB had approximately 3 (5) full-time employees as of December 31, 2023, of which 3 (5) are men and 0 (0) are women.

Investments and depreciations

Intangible fixed assets in the balance sheet amount to SEK 18 million (SEK 21 million), which is related the fractalkine project. The item is the sum of three off-set issues carried out under acquisition agreements. In other words, the valuation of intangible fixed assets in the balance sheet is derived from the contractual terms of the acquisition of the project and not the market valuation of the fractalkine program. For a description of the market outlook for KAND567 and KAND145, please refer to this section of the Annual Report for 2022.

The Board conducts an impairment assessment on an ongoing basis and at least once a year to ensure that the values raised are justified. During the third quarter, such impairment assessment has been conducted concerning the ROR1 project, resulting in a write down of SEK 3 million. The impairment test conducted as of December 31, 2023, resulted in no additional indications of value impairment. No investments or depreciations of intangible assets were made during the fourth quarter 2024.

Group

Kancera consists of two companies, the parent company Kancera AB (publ), in which all research and product development takes place, and the wholly owned subsidiary Kancera Förvaltning AB. The parent company in the group is the Swedish public limited company Kancera AB (publ.) whose shares are listed on Nasdaq First North, Premier Segment from 28 October 2016. Kancera Förvaltning AB is a dormant company.

Share capital and share

The share capital on December 31, 2023 amounted to SEK 7,9 million (SEK 66,3 million) divided into 81 505 799 (79 528 372) shares with a quotient value of, rounded off, SEK 0.10 (0.83) per share. The increase in the number of shares is attributable to the new issue of shares carried out in May 2023.

Tax deficits

Kancera AB's current operations are initially expected to result in negative results and fiscal deficits. There are currently not sufficiently convincing reasons to believe that tax surpluses will exist in the future that can justify a capitalization of the value of the deficits, and no deferred tax asset has been reported. In the event of a sale of a drug candidate, it is expected that profits can be reported, which are currently deemed to be able to be taxed against previous years' tax losses, which would mean a low tax burden for the Company when a project is sold. The fiscal deficits amounted to SEK 458,4 million as of December 31, 2023. No deferred tax asset is recognized for these tax losses.

Notes

Note 1: Accounting and valuation principles

The interim report has been prepared in accordance with IAS 34 and the Annual Accounts Act. The Group's and the Parent Company's accounting principles and valuation principles as well as the calculation bases for the report are unchanged compared with the most recent annual report for the financial year which ended on 31 December 2022 and must be read in conjunction with it.

The Group invests continuously in research and development projects that increase the Group's knowledge of technology and where intangible assets such as patent applications for technology can also be included. Intangible assets are capitalized and reported in the balance sheet if certain criteria are met, while expenses for research are expensed when they arise.

Kancera has continuously expensed all research costs when they arise because they mainly consisted of research efforts and the Group management has assessed that the criteria for capitalization have not been met.

Amounts are stated in Swedish kronor, rounded off to the nearest thousand unless otherwise stated. Rounding to thousands of kronor can mean that the amounts are not correct if they are summed up. Amounts and figures given in parentheses refer to comparative figures for the corresponding period last year.

Note 2: Transactions with related parties

During the period, Kancera AB paid compensation of:

- 191.0 kSEK (181.0 kSEK) to Mellstedt Consulting AB for scientific advisory services in the field of cancer. Mellstedt Consulting AB is owned by Håkan Mellstedt, board member of Kancera AB.
- 74,4 kSEK (0 kSEK) to MobitrIQE AB for clinical research advisory services in the field of cardiovascular diseases. MobitrIQE AB is owned by Anders Gabrielsen, board member of Kancera AB.
- 18,9 kSEK (0 kSEK) to Cytodelics AB for laboratory supplies. Petter Brodin, board member of Kancera, is chairman of the board at Cytodelics AB.

These transactions have been entered into on financial terms in line with market standards and in accordance with board approval procedures. Other than board fees and expenses no other compensations to related parties have been paid.

Note 3: The Group's operations and risk factors

When assessing the group's future development, it is important to consider risk factors in addition to potential profit growth. The group's operations are affected by a number of risks that can have an effect on the group's results and financial position to varying degrees. For a description of the group's risks, refer to the section Risks and risk management of the annual report for 2022. In addition to these reported risks, the prevailing macroeconomic situation, with higher inflation, increased interest and energy costs, generally means increased uncertainty. However, the company assesses that the effects of this uncertainty are relatively limited. Kancera has no loans, and its own operations have very limited energy consumption. However, the increased costs in these areas indirectly impact the company in the form of increased employee costs and costs for outsourced development and production. The company has taken this into account in the financial forecast developed for 2024.

It is the board and management's opinion that current cash is sufficient to finance current business up until the end of 2024 and finalize the ongoing KANDOVA and KAND145 phase I studies, based on current planning assumptions. However, current

cash will not be sufficient to finance new activitiessuch as continued clinical development of KAND567 in cardiovascular diseases. The company therefore intends to raise new capital through a rights issue. As agreements have been established with guarantors, securing approximately 60 percent of the total amount raised, it is the board and management's opinion that the planned rights issue will ensure the group's continued operations.

Note 4: Definitions of key ratios

Alternative key ratios
In addition to the financial key ratios prepared in accordance with IFRS, Kancera AB presents financial key ratios that are not defined according to IFRS. These alternative key ratios are considered to be important results and performance indicators for investors and other users of the interim report. The alternative key ratios should be seen as a complement to, but not a replacement for, the financial information prepared in accordance with IFRS. Because not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies..

R&D costs as share of total costs
The key ratio provides information on the share of the company's research and development costs in relation to the total cost of business. This gives a view of cost allocation and an indication of how resources are allocated to core business versus general administration.

Equity per share
Calculated by dividing equity by the number of shares on the balance sheet date. The change of this key ratio between years gives an indication that changes have taken place in the company's equity, for example if a new issue has been carried out and how much of such a capital injection remains per balance sheet date.

Cash flow per share from current operations
Cash flow from operating activities divided by average number of shares. Given the company's phase where revenues are still fictitious, the number, together with equity per share, provides information about the company's capital acquisition and financing.

Equity ratio
Equity as a percentage of total assets. The key ratio shows how much of the assets were financed via equity and thus indicates the company's financial robustness.

Declaration by the Board of Directors

The Board of Directors and the CEO ensure that the interim report provides a fair overview of the company's and the Group's operations, financial position and results and describes the significant risks and uncertainties facing the company and the Group.

Stockholm, February 23, 2024

Erik Nerpin
Chairman

Håkan Mellstedt
Board member

Charlotte Edenius
Board member

Thomas Olin
Board member

Carl-Henrik Heldin
Board member

Anders Gabrielsen
Board member

Petter Brodin
Board member

Peter Selin
CEO

This interim report has not been subject to review by the company's financial auditor.

Upcoming reporting dates and Annual General Meeting

2024 30 April — Annual Report 2023

2024 17 May — Interim Report Januari – March 2024

2024 27 May — Annual General Meeting

2024 23 August — Interim Report April – June 2024

2024 15 November — Interim Report July – September 2024

2025 21 February — Interim Report October – December 2024

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