Interim Report First Quarter 2024

January 1 – March 31, 2024

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kancera

Kancera AB | Org.nr. 556806-8851

The period in brief

Significant events during the first quarter

- Kancera reported that the company had entered into a license agreement with the University of Newcastle, through which the company retains the exclusive rights to the results and patents from the FRACTAL study.
- Kancera reported that the company's updated protocol for the Kandova study has been approved in Sweden, Norway and Denmark.
- Kancera reported its intention to carry out a rights issue totaling SEK 121,9 million.
- Kancera reported the outcome of the rights issue; Approximately SEK 73,0 million was raised before issue costs, which corresponded to approximately 60% of the total rights issue.

Significant events after the end of the period

- Kancera has reported positive overall results from the phase I study with KAND145
- Kancera has reported that Robert Edfors has been appointed as Chief Scientific Officer and Senior Vice President Clinical Development as from September 1, 2024, and further that Maria Sahlberg has been appointed Vice President Regulatory Affairs & Compliance and Johan Schultz has been appointed Vice President Research & Development Operations.

January – March
First quarter financial summary

- Net sales amounted to SEK 0 million (SEK 0 million).
- R&D expenses amounted to SEK 11,4 million (SEK 15,2 million).
- Operating profit/loss for the quarter amounted to SEK –13,4 million (SEK -17,2 million).
- Profit/loss after financial items for the quarter amounted to SEK –13,0 million (SEK -17,5 million).
- Basic and diluted earnings per share for the quarter amounted to SEK –0,13 (SEK -0,22).
- Cash flow from operating activities for the quarter amounted to SEK –14,7 million (SEK -19,0 million).
- Equity as of March 31, 2024 amounted to SEK 93,9 million (SEK 89,4 million) or SEK 0,77 (SEK 1,12) per share.
- The equity/assets ratio on 31 March 2024 was 76 percent (85 percent).
- Cash and cash equivalents on March 31, 2024 amounted to SEK 31,0 million (SEK 76,1 million).

CEO Statement

”The positive results from the KAND145 Phase I study represent a very important milestone and validate the company’s strategy. We now have two drug candidates that have demonstrated good drug properties in human.”

Peter Selin, VD

“The beginning of 2024 has continued to be eventful for Kancera. Important steps forward have been taken in all three of our clinical projects within the fractalkine program and it was with great enthusiasm that we were recently, after the end of the period, able to report positive initial results from our first in human study with KAND145, Kancera’s second generation fractalkine blocker. To enable the continued advancement of our clinical projects, we also carried out a rights issue during the period.

KAND567 for the treatment of myocardial infarction patients undergoing percutaneous coronary intervention is our lead project. Within this project, we have recently completed a phase IIa study, the **FRACTAL** study, from which we reported positive topline results in December 2023. The results showed that both the primary objective, to demonstrate safety and tolerability, and the secondary objective, to demonstrate signals of cardioprotective effects, were met. During the reporting period, we followed up by presenting the results of the statistical analysis and describing how the signals of cardioprotective effects demonstrated in the FRACTAL study are of high clinical relevance and relate to expected efficacy endpoints in upcoming phase IIb/III studies.

During the reporting period, we also reported that Kancera had entered into a license agreement with the University of Newcastle that gives the company exclusive commercial rights to the results from the FRACTAL study, as well as full ownership of a new use patent covering the clinical use of KAND567 and KAND145 for the treatment of myocardial infarction. If approved, this patent is valid to 2044.

Furthermore, in early 2024, we have seen an increased recruitment rate in our ongoing clinical phase Ib/IIa study in ovarian cancer, the **KANDOVA** study, which is also being conducted with KAND567. The increased recruitment rate can be attributed to the fact that we received regulatory approval for an updated study protocol during the reporting period, which, as expected, has led to an increase in the number of patients who meet the enrollment criteria. All five Nordic hospitals participating in the study have now recruited patients and as of today, 9 patients in total have been recruited and completed one or more treatment cycles with KAND567.

The first part of the study, Phase Ib, aims to define the recommended treatment dose, based on tolerability and efficacy. This part of the study is conducted through a so-called dose escalation design and the study has now demonstrated that the first two dose levels (250 mg and 375 mg) that have been studied are safe and tolerable. All patients in the study are now being treated at one of the two highest dose levels defined in the study protocol (500 mg and 625 mg, respectively), and based on the status of the project, we expect that the phase Ib-part of the study will be completed by mid-year.

After the end of the period, we have reported that our first **Phase I clinical study with KAND145** has been completed with positive top-line results and that the primary objectives of the study were met. KAND145 is our second generation fractalkine-blocking drug candidate and a further development of KAND567. Overall, the results from the study show that KAND145 is effectively converted into KAND567 in the body and after conversion the pharmacokinetics are similar to those of dosing with KAND567. The

results also show that KAND145 is safe and tolerable at the target level of exposure - we achieved the maximum exposure defined in the study protocol. Notably, this exposure far exceeds the level that has been shown to be therapeutically active against inflammation through the results of the FRACTAL study and which we expect to be effective for the treatment of the tumor microenvironment in cancer.

The results from the study therefore constitute a very important milestone for Kancera, as they validate our strategy to evaluate the treatment concept with fractalkine blockers through KAND567, in parallel with the first clinical studies with KAND145 being conducted. We can now continue to work according to our strategy and prepare for future patient studies with KAND145. It is highly gratifying to now be able to confirm that Kancera has two drug candidates that have demonstrated good drug properties in human.

During the period, Kancera carried out a **rights issue** that resulted in approximately SEK 60 million in cash after transaction costs. The rights issue enables Kancera to advance our clinical development program, including initiating important and time-critical development and manufacturing activities for upcoming clinical studies.

Our **cash position** at the end of the period amounted to SEK 31 million. This is prior to the capital raise through the rights issue. **Costs** during the period amounted to SEK 13,4 million, of which SEK 11,4 million comes from research and development. Costs are at a lower level compared to the same period last year, when the corresponding items were SEK 17,3 million and SEK 15,2 million, respectively. The main explanation for the higher costs in 2023 was that we then had costs for a manufacturing campaign, as well as higher costs in both the FRACTAL and KANDOVA studies. **Cash flow** during the period amounted to SEK -14,7 million, which was also lower than the corresponding period last year (SEK -19,0 million) for the same reasons as above.

After the period, we announced that we have made a number of new recruitments and **changes to the management team**, including the appointment of Robert Edfors as the new Chief Scientific Officer (CSO) and Senior Vice President Clinical Development. The changes reflect Kancera's strong focus on continuing the clinical development of KAND567 and KAND145 and preparations for future clinical studies. Thomas Olin, who is currently CSO, will continue to work for the company, as a scientific advisor and as a member of the board.

Finally, I would like to express my sincere thanks to all shareholders and guarantors who participated in the rights issue. As described above, the rights issue enables us to drive our clinical development program forward, which is crucial for the continued value creation. With the strengthening of the cash position, we are now initiating important development activities for future planned clinical studies."

Peter Selin, VD
Solna, May 17, 2024
Kancera AB

About **Kancera**

Leader in the development of a new class of drugs for life-threatening diseases that lack effective treatment

Kancera develops drugs for life-threatening diseases that currently lack effective treatments. The company conducts its operations within Karolinska Institutet Science Park in Solna. Kancera's vision is to develop new drugs that contribute to better treatments and a normalized life for patients. The company is developing a new class of small molecule drug candidates for the treatment of severe inflammatory conditions and cancer. This new class of drugs includes the drug candidates KAND567 and KAND145, which control disease-promoting immune cells and cancer cells with high precision, by blocking the so-called fractalkine axis. Kancera sees great business opportunities for these drug candidates in several disease areas but focuses on two main areas; heart injuries caused by inflammation in connection with myocardial infarction and treatment-resistant ovarian cancer. Due to severe complications and high mortality, the medical needs are high in both of these conditions, which in the long run means significant market opportunities for new drugs that can contribute to more effective treatments.

Kancera's management has solid expertise and experience in translating discoveries of new disease mechanisms into drug candidates and developing these through clinical studies until 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 and demonstrated efficacy in human.

Kancera currently has three clinical projects:

- KAND567 in patients with myocardial infarction undergoing percutaneous coronary intervention. In December, Kancera reported positive overall results from a phase IIa study, the so-called FRACTAL study. The company is now working on preparations for upcoming clinical studies.
- KAND567 in patients with ovarian cancer with relapse after treatment with platinum-based chemotherapy. Kancera is currently conducting a combined phase Ib/IIa study, the so-called KANDOVA study. The company is now working to complete the first part of the study, Phase Ib, with the aim of defining the recommended dose for Phase II.
- A phase I study with KAND145 in healthy subjects: the first clinical study with the company's second generation fractalkine-blocking drug candidate. The dosing of all subjects in the study has been completed and the company has reported that the initial overall results are positive.

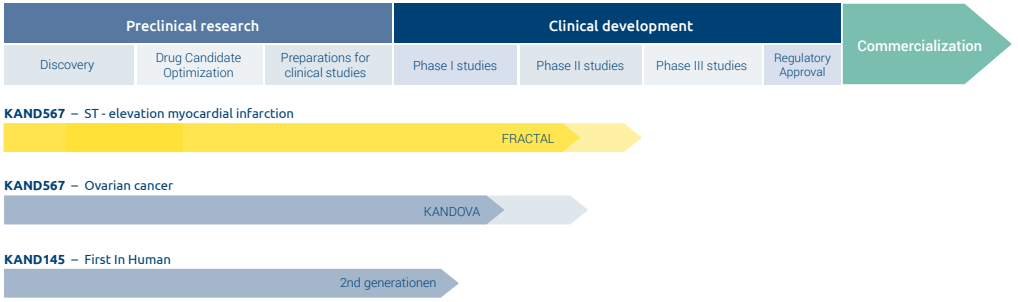
Business model

Kancera's business model is to develop innovative drug candidates with strong intellectual property protection, demonstrate efficacy in patients and, by virtue of these results, enter into partnerships with pharmaceutical companies that focus on specialist care. By developing and commercializing drug candidates in partnership, Kancera's need for capital is reduced and portfolio risk is reduced. A partnership agreement means that Kancera out-licenses rights to development and commercialization in defined territories, in exchange for revenue in the form of payment upon signing the agreement, milestone payments and royalty revenue on partners' sales.

Pipeline

Kancera is developing a new class of drugs for life-threatening diseases that lack effective treatment

Kancera's pipeline



KAND567 of myocardial infarction

In December 2023, Kancera reported positive overall results from the FRACTAL study, an exploratory phase IIa study in patients with myocardial infarction undergoing percutaneous coronary intervention (PCI) and reported that:

- The primary objective was met - to demonstrate safety and tolerability;
- The secondary objective was met - to show signals of cardiovascular protective effect. The clearest signals of cardioprotective effect were a trend of reduced intramyocardial hemorrhage, as well as a significant and statistically significant reduction in the incidence of left ventricular thrombosis. Kancera assesses that both of these signals are of high clinical relevance, as they are associated with heart failure and stroke, which are established primary endpoints in pivotal studies.

In the study, patients in the active arm were treated with KAND567 by an initial intravenous bolus dose before the PCI was initiated. After PCI, the patient continued to receive an intravenous infusion of KAND567 for approximately 6 hours, after which treatment switched to peroral dosing for up to 72 hours. Patients in the control arm received placebo instead of KAND567. After completion of treatment, follow-up by MRI was performed on two occasions: Day 3 and Day 90. A total of 71 patients were recruited to the study and all were included in the basis for evaluation of safety and tolerability. 61 patients underwent MRI on day 3 and were included in the basis for evaluation of cardioprotective effect.

Kancera is now working on development activities aimed at preparing for future clinical studies.

KAND567 in ovarian cancer

The KANDOVA study is an ongoing single-arm, open-label, multi-center combined Phase Ib/IIa study with KAND567 in combination with carboplatin (platinum-based chemotherapy) in ovarian cancer patients with relapse after carboplatin therapy. The study is being conducted at five university hospitals in Sweden, Norway and Denmark and is being conducted in collaboration with the clinical trials unit within NSGO, a collaborative organization for the leading university hospitals and investigators in the Nordic region in gynaecological oncology.

Treatment with KAND567 takes place for two weeks in conjunction with each infusion of carboplatin, which occurs every three weeks. The first part of the Kandova study, i.e. the Phase Ib part, has a so-called dose escalation design. The objective of the Phase Ib part of the study is to define the recommended Phase II dose.

The primary objective of the study is to evaluate safety and tolerability. The secondary objective is to evaluate the signal of anti-tumor effect from treatment with KAND567 in combination with carboplatin. In addition, a large number of exploratory endpoints are studied. The company expects that Phase Ib can be completed by mid-year 2024, meaning that the recommended Phase II dose is defined and part two of the study can be initiated. In total, up to 30 patients may be enrolled in the two parts of the study. The final number of enrolled patients will be evaluated and decided during the second half of 2024, based on the primary and secondary objectives.

KAND145 in healthy subjects

The study, which is the first clinical study with KAND145, is a randomized, double-blind, placebo-controlled Phase I study of KAND145 in healthy subjects with the objective to evaluate safety, tolerability, pharmacokinetics, food efficacy during single and multiple ascending dosing, and interaction with other drugs in connection with multiple ascending dosing of KAND145. The study is being conducted at two sites in Finland.

After the reporting period, Kancera has reported that the overall results from the study are positive and reported that the results show that:

- KAND145 is effectively converted into KAND567 in the body and that after conversion the pharmacokinetics are similar to when dosing with KAND567.
- KAND145 is safe and tolerable at the dose levels expected to be therapeutically active against inflammatory conditions and the tumor microenvironment in cancer.

The results represent an important milestone with the demonstration in human that the mechanism of action for KAND145 corresponds to that of KAND567. Thus, this supports Kancera's strategy of evaluating the treatment concept with fractalkine blockers through KAND567, in parallel with the first clinical studies with KAND145 being conducted.

Kancera now intends to further develop the formulation of KAND145, from the aqueous solution used in healthy subjects, to a formulation that is optimized for tolerability in the treatment of patients.

For additional information about projects and market outlooks, see Annual Report 2023 on Kancera's website www.kancera.com

Financial development in summary

Kancera group	Jan 1 - Mar 31		Jan 1 - Dec 31
KSEK (unless otherwise specified)	**2024**	**2023**	**2023**
Net sales			
Other operating revenues		136	1 035
Operating expenses	-13 396	-17 323	-66 077
R&D expenses	-11 441	-15 168	-57 989
Operating Income	-13 396	-17 187	-65 042
Income after financial items	-12 961	-17 499	-64 889
Net income	-12 961	-17 499	-64 889
Cash flow from operations	-14 679	-19 005	-55 672
Cash	31 013	76 131	45 692
Equity	93 905	89 413	47 665
Key ratios			
R&D costs as share of total costs	85%	88%	88%
Earnings per share, before and after dilution (SEK)	-0,13	-0,22	-0,81
Cash flow per share (SEK)	-0,12	-0,24	-0,68
Equity per share (SEK)	0,77	1,12	0,58
Total assets	123 330	104 734	65 643
Equity ratio	76%	85%	73%
No. of employees	5	5	3

Comments on financial development

As described in the section About Kancera, the company's business model is to develop drug candidates, demonstrate efficacy in patients in clinical studies and, by virtue of these results, enter into partnerships with other pharmaceutical companies through out-licensing of development and commercialization rights in exchange for revenues in the form of milestone payments and royalty revenues.

As the company has not yet entered into such partnerships, the company does not yet have any revenue in the form of milestone payments or royalty revenues. Until such time as the company enters into such partnerships, the company's operations are financed through raising capital, primarily on the stock exchange. Since 2016, Kancera has been listed on Nasdaq First North Premier Growth Market.

The company's costs consist mainly of operational costs for research and development. Research refers to preclinical research studies and development refers to clinical studies of the company's drug candidates. The costs of conducting clinical studies are significantly higher than preclinical research, and as the company's drug candidates have advanced into the clinical development phase, the company's operational costs have increased. During the reporting period, the company has had three projects in clinical development phases (read more in the "Pipeline" section).

Revenue and earnings
First quarter, January-March 2024

- Net sales for the quarter amounted to SEK 0 million (SEK 0 million).
- Costs during the quarter amounted to SEK 13,4 million (SEK 17,3 million), of which the majority of costs, SEK 11,4 million (SEK 15,2 million), consisted of costs for research and development costs. Costs during the period are lower than the same period last year, which is mainly explained by the fact that we had costs for a manufacturing campaign in 2023, as well as higher costs in both the FRACTAL and KANDOVA studies.
- Other expenses consist of selling and administrative expenses, which amounted to SEK 2,0 million (SEK 2,2 million) during the period. The company has no product sales, but sales costs refer to costs for business development and preparatory activities for future possible commercializations of the company's drug candidates.
- Profit after financial items for the quarter amounted to SEK –13,0 million (SEK -17,5 million).
- Earnings per share for the quarter, based on a weighted average of the number of outstanding shares, amounted to SEK –0,13 (SEK -0,22).

Consolidated statement of comprehensive income

Consolidated statement of comprehensive Income			
Kancera group	Jan 1 - Mar 31		Jan 1 - Dec 31
KSEK	**2024**	**2023**	**2023**
Operating revenues			
Net sales			
Other operating revenues		136	1 035
Total revenues	**0**	**136**	**1 035**
Operating expenses			
G&A expenses	-1 526	-1 737	-6 347
M&S expenses	-428	-418	-1 741
R&D expenses	-11 441	-15 168	-57 989
Total operating expenses	**-13 396**	**-17 323**	**-66 077**
Operating income	**-13 396**	**-17 187**	**-65 042**
Income before financial items			
Financial net	435	-312	153
Income after financial items	**-12 961**	**-17 499**	**-64 889**
Tax			
Net income	**-12 961**	**-17 499**	**-64 889**
Average number of shares (thousands), before and after dilution	97 464	79 528	79 620
Number of shares at closing date (thousands)	121 186	79 528	81 506
Earnings per share, before and after dilution	-0,13	-0,22	-0,81

Condensed consolidated statement of financial position

Condensed consolidated statement of financial position			
Kancera group	Mar 31	Mar 31	Dec 31
KSEK	**2024**	**2023**	**2023**
Assets			
Non-current assets			
Intangible assets			
Capitalized R&D	18 000	21 000	18 000
Tangible assets			
Lease assets		157	
Financial assets			
Financial placements	1	1	1
Total non-current assets	**18 001**	**21 158**	**18 001**
Current assets			
Trade receivables and other receivables	74 316	7 445	1 950
Cash and cash equivalents	31 013	76 131	45 692
Total current assets	**105 329**	**83 576**	**47 642**
Total assets	**123 330**	**104 734**	**65 643**
Equity and Liabilities			
Equity			
Equity	93 905	89 413	47 665
Total equity	**93 905**	**89 413**	**47 665**
Liabilities			
Long-term liabilities			
Short-term liabilities	29 425	15 321	17 978
Total liabilities	**29 425**	**15 321**	**17 978**
Total equity and liabilities	**123 330**	**104 734**	**65 643**

Statement of changes in equity

Consolidated report on changes in equity, Jan 1 - Dec 31 2023				
Kancera group *KSEK*	**Share capital**	**Other capital contributions**	**Accumulated deficit**	**Total equity**
First quarter				
Opening balance Jan 1 2023	66 273	93 122	-52 484	106 912
Comprehensive income				
Net income for the period			-17 499	-17 499
Total comprehensive income			-17 499	-17 499
Transactions with shareholders				
Capital injections				
Capital injection costs				
Ongoing share issue				
Total transactions with shareholders	0	0	0	0
Closing balance Mar 31 2023	**66 273**	**93 122**	**-69 983**	**89 414**
The period January - December				
Opening balance Jan 1 2023	**66 273**	**93 122**	**-52 484**	**106 911**
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 of share capital	-60 000		60 000	
Total transactions with shareholders	-58 352	3 994	60 000	5 642
Closing balance Dec 31 2023	**7 921**	**44 632**	**-4 889**	**47 665**

Statement of changes in equity (cont´d)

Consolidated report on changes in equity, Jan 1 - Mar 31 2024				
Kancera group *KSEK*	**Sharecapital**	**Other capital contributions**	**Accumulated deficit**	**Total equity**
First quarter				
Opening balance Jan 1 2024	7 921	44 632	-4 889	47 665
Comprehensive income				
Net income for the period			-12 961	-12 961
Total comprehensive income			-12 961	-12 961
Transactions with shareholders				
Capital injections	3 857	69 155		73 012
Capital injection costs		-13 811		-13 811
Total transactions with shareholders	3 857	55 345	0	59 201
Closing balance Mar 31 2024	**11 778**	**95 088**	**-12 961**	**93 905**

Cash flow statement

Condensed consolidated statement of cash flow			
Kancera group	Jan 1 - Mar 31		Jan 1 - Dec 31
KSEK	2024	2023	2023
Cash flow from operations			
Operating income after financial items	-12 961	-17 499	-64 889
Depreciation		90	3 000
Taxes paid		18	
Other non-cash flow items	131		13
Cash flow from operating activities before change in working capital	-12 830	-17 391	-61 876
Change in working capital	-1 849	-1 614	6 204
Operating cash flow	-14 679	-19 005	-55 672
Investment activities			
Cash flow from investments	0	0	0
Free cash flow	**-14 679**	**-19 005**	**-55 672**
Financing activities			
Change in debt referrable to financing activities	-59 201	-535	
Issue of shares/other capital infusions	59 201	-35	6 215
Repayment of loans			
Cash flow from financing activities	**0,15036**	**-570**	**6 215**
Total cash flow	**-14 679**	**-19 575**	**-49 457**
Cash and cash equivalents at the beginning of the period	45 692	95 149	95 149
Cash and cash equivalents at the end of the period	31 013	76 131	45 692

Condensed income statement parent company

Consolidated statement of comprehensive Income			
Kancera group	Jan 1 - Mar 31		Jan 1 - Dec 31
KSEK	**2024**	**2023**	**2023**
Operating revenues			
Net sales			
Other operating revenues		136	1 035
Total revenues	**0**	**136**	**1 035**
Operating expenses			
G&A expenses	-1 526	-1 737	-6 347
M&S expenses	-428	-418	-1 741
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Total operating expenses	**-13 396**	**-17 323**	**-66 077**
Operating income	**-13 396**	**-17 187**	**-65 042**
Income before financial items			
Financial net	435	-312	153
Income after financial items	**-12 961**	**-17 499**	**-64 889**
Tax			
Net income	**-12 961**	**-17 499**	**-64 889**

Condensed balance sheet parent company

Condensed Parent Company Balance Sheet		
The Parent Company Kancera AB		
KSEK	Mar 31	Dec 31
Assets	2024	2023
Non-current Assets		
Intangible assets		
Capitalized R&D	18 000	18 000
Tangible assets		
Lease assets		
Financial assets		
Shares in subsidiaries	50	50
Financial placements	1	1
Total non-current assets	**18 051**	**18 051**
Current assets		
Intercompany receivables	2	2
Trade receivables and other rec	74 316	1 948
Cash and cash equivalents	30 961	45 642
Total current assets	**105 279**	**47 592**
Total assets	**123 330**	**65 643**
Equity and Liabilities		
Equity	93 905	47 665
Total equity	**93 905**	47 665
Liabilities		
Short-term liabilities	29 425	17 978
Total liabilities	**29 425**	**17 978**
Total equity and liabilities	**123 330**	**65 643**

Financial position and cash flow

Balance sheet and cash flow

- Total equity as of March 31, 2024 amounted to SEK 93,9 million (SEK 89,4 million).
- Kancera's equity/assets ratio as of March 31, 2024 was 76 percent (85 percent).
- Equity per share was SEK 0,77 (1,12).
- Cash flow from operating activities amounted to SEK –14,7 million (SEK -19,0 million) or SEK –0,15 per share (SEK -0,24) and is in line with the company's operating expenses.
- Cash and cash equivalents as of March 31, 2024 amounted to SEK 31,0 million (SEK 76,1 million). After the period, the company received approximately SEK 60 million in cash and cash equivalents from the new share issue that was carried out during the period.

Employees

Kancera AB had 5 (5) permanent employees as of March 31, 2024, of which 4 (5) are men and 1 (0) are women.

Investments and depreciations

Intangible assets in the balance sheet amount to a total of SEK 18,0 million (SEK 21,0 million), which is related to the acquisition of the fractalkine program. The item is the sum of three off-set issues carried out under acquisition agreements. The valuation of intangible assets in the balance sheet is thus a result of the contractual terms at the time of the acquisition of the program and not the market valuation of KAND567 and KAND145. For a description of the market outlook for these two drug candidates, please refer to this section of the Annual Report for 2023.

The Board of Directors conducts an impairment test on an ongoing basis and at least once a year to ensure that capitalized values are justified. As of March 31, 2024, there are no further indications of a decline in value. No investments were made in intangible or fixed assets during the quarter, as the payment of GBP 228,000 to the University of Newcastle in connection with the signing of a license agreement was recognized as an expense in 2023.

The Group

The Kancera Group 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 of the Group is the Swedish public limited liability company Kancera AB (publ.), whose shares are listed on Nasdaq First North, Premier Segmentet as of October 28, 2016. Kancera Förvaltning AB is a dormant company.

Share capital and the share

On March 31, 2024, the share capital amounted to SEK 93 905 293,28 (SEK 66 273 643,35) divided into 121 186 228 (79 528 372) shares with a quota value of, rounded off, SEK 0,77 (0,83) per share. The increase in the number of shares is attributable to the new share issue that was carried out in March 2024.

Tax deficit

Kancera AB's current operations are initially expected to result in negative earnings and tax losses. At present, there are no sufficiently convincing reasons to suggest that there will be tax surpluses in the future that would justify capitalizing the value of the losses, and no deferred tax assets have been recognized. In the event of a sale of a drug candidate, it is expected that it will be possible to recognize gains that are currently considered to be offset for tax purposes against previous years' tax losses, which would entail a low tax burden for the company when a project is sold. The tax losses amounted to SEK 529,3 million as of 31 December 2023. No deferred tax assets are reported 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 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 ended 31 December 2023 and should be read in conjunction with it.

Kancera continuously expenses all costs for research and development as they arise and does not capitalize them as intangible assets. The same applies to manufacturing costs that are expensed when they are incurred and not capitalized as inventory assets.

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 do not add up. Amounts and figures in parentheses refer to comparative figures for the corresponding period of the previous year.

Note 2: Related-party transactions

During the period, Kancera AB paid compensation of SEK 51,4 thousand (0 thousand) to MobitrIQE AB for advisory services regarding clinical development in cardiovascular diseases. Anders Gabrielsen, board member of Kancera AB, is the owner of MobitrIQE AB.

The transaction has been made on market terms and in accordance with the Board of Directors' procedure for approving such assignments. In addition, Kancera AB has not paid any related party fees other than board fees and expenses for expenses.

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 earnings growth. The Group's operations are affected by a number of risks that may have an effect on the Group's earnings and financial position to varying degrees. For a description of the Group's risks, please refer to the section Risks and risk management in the Annual Report for 2023.

The Company believes that external factors have only limited direct effect on the Company's operations and costs, but that the current macroeconomic situation and the situation in the financial markets mean that there is an increased risk that any raising of capital needs to be carried out with a high dilution of the votes in relation to capital contributed, which was reflected, for example, in the new share issue that the Company carried out during the period.

The Board of Directors and management make the assessment that the company, through the completed new share issue, has ensured the Group's continued operation for the next approximately 12-15 months.

Note 4: Definitions of key ratios

Alternative performance measures

In addition to the financial key ratios prepared in accordance with IFRS, Kancera AB presents financial key ratios that are not defined in accordance with IFRS. Alternative performance measures are considered to be important results and performance indicators for investors and other users of the interim report. The alternative performance measures 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, they are not always comparable to measures used by other companies.

Share of R&D in total costs
The figure provides information on the extent to which the company's costs relate to the core business. This gives a picture of cost allocation and an indication of how large a part of the total costs is related to administration.

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

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

Equity ratio
Shareholders' equity as a percentage of total assets. The key figure shows how much of the assets have been financed through equity and thus clarifies the company's financial strength.

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, May 17, 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 **27** May — Annual General Meeting 2024

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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