



# Interim report first quarter 2022

January 1 – march 31 2022  
Kancera AB (publ.), org.nr. 556806-8851

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# About Kancera

## Kancera's discoveries pave the way for the development of a new class of drugs – fractalkine blockers – against inflammation and cancer

### Kancera's projects

Kancera develops new drugs for inflammation and cancer. The most advanced drug candidate, the Fractalkine blocker KAND567, is progressing clinically towards the goal of minimizing the damage that occurs in the heart and lungs in connection with an excessive inflammatory reaction, so-called hyperinflammation. Kancera's primary study to demonstrate the protective effect of KAND567 in connection with acute hyperinflammation is being carried out with heart attack patients. The study is currently running at two university hospitals in England and is expected to complete recruitment in 2022. In November 2021, Kancera reported top-line results from a phase IIa study of KAND567 in COVID-19 which demonstrated safety, tolerability and "proof of principle" for desired pharmacological effect on inflammatory cells.

During the first quarter of 2021, preclinical studies revealed that Kancera's drug candidates have the potential to improve the treatment of difficult-to-treat cancer by disrupting the cancer's resistance to chemotherapy. Thanks to these results, Kancera now takes a leading position in this clinically and commercially dynamic area for the development of future cancer drugs. Since last spring, clinical preparatory studies with KAND145 have made significant progress towards the start of a clinical study with the aim of treating ovarian cancer. If these studies turn out well, there are good prerequisites for beginning a clinical study on cancer already in 2022 with the goal of demonstrating efficacy and safety using established biomarkers. With the aim of gaining time in clinical development, we intend to employ KAND567, which is already ready for use in the clinic, in the first study against ovarian cancer. This study is financed by share issue proceeds received in 2021.

In parallel, Kancera's drug candidate KAND145 for the treatment of autoimmune diseases is also being evaluated within the framework of an EU-funded project. The focus here is on autoimmune rheumatic diseases.

Kancera is also developing a portfolio of preclinical drug projects focusing on blood cancer (the ROR project) and bowel cancer (the PFKFB3 project).

### Business model

Through partnership with internationally established pharmaceutical companies, Kancera intends to commercialize the company's patent-protected drug candidates according to the demonstrated effect in patients (so-called "proof of concept" in clinical phase IIa) with the aim of normalizing life for the seriously ill and contributing to effective care. Such a partnership can be based on a joint development of products, or out-licensing or sales of Kancera's patent-protected drug candidates.

### Background

Kancera's team has solid experience of drug research from discoveries of new disease processes to clinical development within AstraZeneca, Pharmacia, Biovitrum and Karolinska Institutet. Kancera has mainly focused on cancer and inflammatory diseases both for its own drug development and as research consultants. As research consultants, Kancera's team has carried out projects for pharmaceutical companies and biotech companies in the USA and in Europe. Among these assignments is the development of the chemistry that laid the foundation for Enasidenib, a drug that has been marketed since 2017 by the American pharmaceutical company Bristol-Myers Squibb for the treatment of acute leukemia (AML).

Kancera AB has been operational within Karolinska Institutet Science Park, Stockholm, since 2013, and since January 28, 2016, the share has been traded on the Nasdaq First North Premier Growth Market. The number of shareholders as of March 31, 2022 was approximately 19,000. Since 2016, Kancera has reported in accordance with IFRS in the Group and RFR2 in the Parent Company.

FNCA Sweden AB is the company's Certified Adviser. FNCA can be reached at [info@fnca.se](mailto:info@fnca.se) and at 08-528 00 399. MD PhD Petter Brodin, MD PhD Charlotte Edenius, MD PhD Anders Gabrielsen, Professor Carl-Henrik Heldin and Professor Håkan Mellstedt are all scientific advisers and board members of Kancera AB.

# First quarter in brief

## January – March

### Financial summary for the first quarter and the period January - March 2022

- Net sales amounted to SEK 0 million (SEK 0.0 million).
- R&D costs amounted to SEK 10,6 million (8,2 million).
- Operating profit for the first quarter amounted to SEK -11,9 million (-9,0 million).
- Profit after financial items for the first quarter amounted to SEK -12,0 million (-9,1 million).
- Earnings per share, before and after dilution, for the first quarter amounted to SEK -0,21 (-0,03).
- Cash flow from operating activities for the first quarter amounted to SEK -9,8 million (-9,0 million).
- Equity as of March 31, 2022 amounted to SEK 110,50 million (122,80 million) or 1,97 SEK (2,19 SEK) per share.
- The equity / assets ratio as of March 31, 2022 was 90 percent (92 percent).
- Cash and cash equivalents on March 31, 2022 amounted to SEK 96,8 million (55,0 million).

### Significant events during the first quarter

- Kancera announced that the recruitment of heart patients at Freeman Hospital is going well and points out that all patients can be included in the study in 2022.
- Kancera announced that good results from 14-day toxicology studies mean that clinic-preparatory 28-day studies with KAND145 will start as planned during the first quarter of 2022.
- Kancera presented a strategy for the most time-efficient start of clinical cancer studies, where a study with the drug candidate KAND567 begins, after which a transfer to KAND145 takes place.
- Kancera presented preclinical results showing that KAND145 effectively reduces the tumor size of ovarian cancer in a disease model based on biopsies from original tumors and metastases.
- Kancera presented an in-depth analysis of how KAND567 affects the immune system in severely ill covid patients, showing an immediate and specific effect of KAND567 on the human Fractalkine system. These results support that Kancera's innovative drug candidates can slow down inflammatory conditions in which the Fractalkine system is activated, including acute inflammation of the heart and kidneys and rheumatic autoimmune diseases.
- The board estimates that the war in Ukraine may have a negative effect on the company's operations in 2022, but that the board currently cannot assess how large that effect may be.

### Significant events after the end of the first quarter

- In an operational update, Kancera has announced that:
  - KAND567 FRACTAL study: Of the total of 60 patients to be included in the study, 28 have so far been treated, which means that progress is being made according to plan to include all patients during 2022.
  - Second generation fractalkine blocker: 28 day GLP toxicological studies of KAND145 have been carried out and are under analysis and the KAND145 is under production for clinical studies.
  - Increased potential to treat cancer: New research results supports that fractalkine blockers can act against cancer by intervening with the supporting environment surrounding tumors (the so called microenvironment).
- Kancera has announced that Peter Selin has started his employment as Executive Vice President Corporate Development and Vice President with responsibility for business development, strategic partnerships and out-licensing.



# CEO statement

## **FRACTAL studies in cardiac patients are being developed according to plan and cancer studies are advancing towards decisions on clinical studies**

### **The FRACTAL study with myocardial infarction patients is developing according to plan**

Cardiovascular diseases are the most common cause of premature death in the world today and heart attacks are predominant. Every year, about 500,000 individuals suffer from extensive heart attacks in the United States and Europe, and for about 25% of those affected, a serious complication or death occurs within five years. The need for adequate and effective treatments is therefore significant. During the fourth quarter of 2021, Kancera launched the Phase IIa clinical study FRACTAL, which aims to document the safety and cardioprotective effect (with biomarkers) of the KAND567 Fractalkine blocker in patients suffering from an infarction in the anterior wall of the ventricle. The study is being conducted in collaboration with the NHS Foundation at the two prominent university hospitals Freeman Hospital and James Cook Hospital in the United Kingdom.

Of the total of 60 patients to be included in the study, 28 have so far been treated, which means that progress is being made according to plan to include all patients during 2022.

### **In-depth results from the COVID study**

In March, we were able to present results from in-depth analyzes of a Phase IIa clinical trial of patients with moderate to severe COVID-19. The results show that KAND567 had an immediate and specific effect on the Fractalkine system in the patients who were seriously ill. This provides further support for the fact that Kancera's innovative drug candidates have the potential to alleviate disease states where the Fractalkine system causes an over-activation of the immune system. The insight opens up for the treatment of a number of indications with a marked need for improved treatments, including acute inflammation of the heart and kidney and autoimmune diseases.

### **Progress in our cancer projects**

Every year, 300,000 women are diagnosed with ovarian cancer, often at a late stage, which contributes to the disease being the most serious form of gynecological cancer. In 2021, Kancera has published cell studies that show that Kancera's fractalkine blockers in combination with chemotherapy drugs act in synergy to damage the tumor's DNA. The effect is that cancer cells are damaged so much that they are forced to eliminate themselves. This in turn leads to the tumor shrinking. In early 2022, Kancera reported further strengthening preclinical results showing that the company's Fractalkine blockers, in combination with chemotherapy drugs, effectively target cancer cells in patient samples from primary tumors and metastases. During the period May to October, we carry out a confirmatory preclinical effect study against ovarian

cancer and produce capsules with Kancera's Fractalkine blockers for clinical studies.

Given the positive results from this preclinical effect study, we plan to apply for a approval for a clinical phase Ib / IIa study with the aim of documenting safety and biomarkers for tumor effect for the combination Fractalkine blockers - chemotherapy. Through these studies, we are taking significant steps in the evaluation of Kancera's Fractalkine blockers as a new class of anticancer drugs that currently have no effective treatment options.

Our preclinical research has further generated new results that show how fractalkine blockers can reprogram the microenvironment that normally helps cancer cells to survive, divide and spread. These promising effects of Kancera's fractalkine blockers are under scrutiny in ongoing studies of patient samples. Results from these studies are planned to be reported during the second half of 2022.

### **Operational status**

On May 1, we welcomed Peter Selin to the company as Executive Vice President Corporate Development and Vice President with responsibility for business development, strategic partnerships and out-licensing. Peters is part of the management team and plays a significant role in the continued value building within Kancera.

We are now looking forward to a continued strong recruitment of patients for the cardiac study in the United Kingdom and the preparatory steps for a clinical study of Fractalkine blockers against cancer.



Solna, 20 May 2022  
Kancera AB  
Thomas Olin, CEO

# Drug development

## Clinical cardiac study with KAND567 recruits patients according to plan and progress towards start of clinical cancer study.

### What distinguishes Kancera?

New discoveries by several independent research groups have shown that the Fractalkine system is of crucial importance in the resistance of cancer to treatment and the severity of the inflammatory conditions. Kancera's small molecule drug candidates work through this Fractalkine system, which precisely controls cancer cells and immune cells. Kancera is now primarily in the clinical development of these drug candidates that have already shown pharmacological effect in humans and impact on human diseases. Thus, Kancera has a unique opportunity, in partnership with strong pharmaceutical companies, to develop a new class of drugs for treatment that resolves harmful acute inflammation and progressive cancer.

### Significant progress in 2021

Kancera currently invests over 90% of available financial and human resources in the development of the Fractalkine project with its two drug candidates.

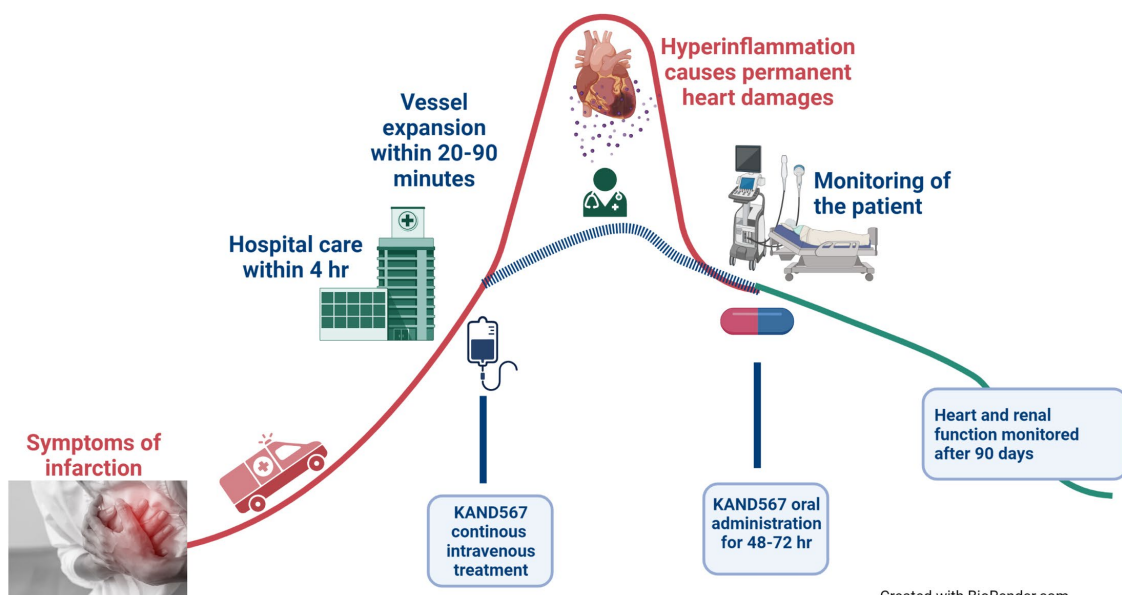
The Fractalkine blocker KAND567 is primarily developed to effectively counteract damage that occurs when our immune system overreacts, so-called hyperinflammation. Hyperinflammation is a common and disease-causing factor that increases the risk of life-threatening complications in the heart, kidney and lungs in connection with infarction, surgery or infection. Kancera is focusing specifically on disease states in which there is a clear trigger for when treatment with the company's drug candidates should start to give the

best effect. These include inflammation triggered by vascular damage such as vasodilation after a heart attack or acute kidney injury. Myocardial infarction is also at the heart of Kancera's second Phase II clinical trial.

This cardiac study is performed by Kancera with KAND567 mainly at Freeman Hospital, Newcastle, UK which was nominated in 2020 as one of the world's 50 leading University Hospitals. The long-term goal of this treatment is to increase survival and reduce the risk of severe complications after a severe heart attack. In addition to documenting the drug candidate's tolerability and safety in patients, this phase IIa study in a total of 60 patients aims to capture early signals (biomarkers) on the protective effect that, (i) counteracts inflammatory damage that occurs in connection with the infarction and, (ii) promotes heart function.

Successful results open up opportunities to treat other conditions that are triggered by an acute vasculitis such as acute renal failure.

In connection with Sweden being hit by the pandemic wave of 2020, and the lack of effective treatments that led to high death rates in COVID-19, Kancera, in consultation with medical expertise, chose to investigate whether KAND567 could also help to alleviate the acute hyper-inflammation in COVID-19 that was assumed to contribute to complications.



Created with BioRender.com

In 2021, Kancera presented results from the randomized double-blind study that showed that the primary goal was achieved when a favorable safety and tolerability profile for KAND567 could also be confirmed in seriously ill patients. In addition, the desired plasma concentration of KAND567 was achieved, which was in line with the calculated effective concentration. When decoding after the end of the study, an imbalance was found in inflammatory status between the treatment groups. This, in combination with the limited size of the study, meant that no conclusions could be drawn regarding the secondary goal, to evaluate a potential effect of KAND567 on clinical disease parameters. However, the analyzes of the immune system's regulation at the cellular and protein level show that KAND567 has a direct and immediate effect on the Fractalkine system in humans, i.e. a so-called proof of principle for pharmacological effect in humans.

During the first quarter of 2021, Kancera reported preclinical findings that show that the company's Fractalkine blockers also have the potential to break down cancer cell resistance to cytostatics and thereby significantly improve the treatment of advanced cancer such as ovarian cancer. Since last spring, significant progress has been made in preclinical studies of the tumor-reducing effect of KAND145

in disease models based on tumor biopsies from patients with ovarian cancer. Preclinical efficacy studies will continue during the second and third quarters of 2022.

Positive results would enable the start of a clinical pilot study with KAND567 in cancer patients as early as 2022.

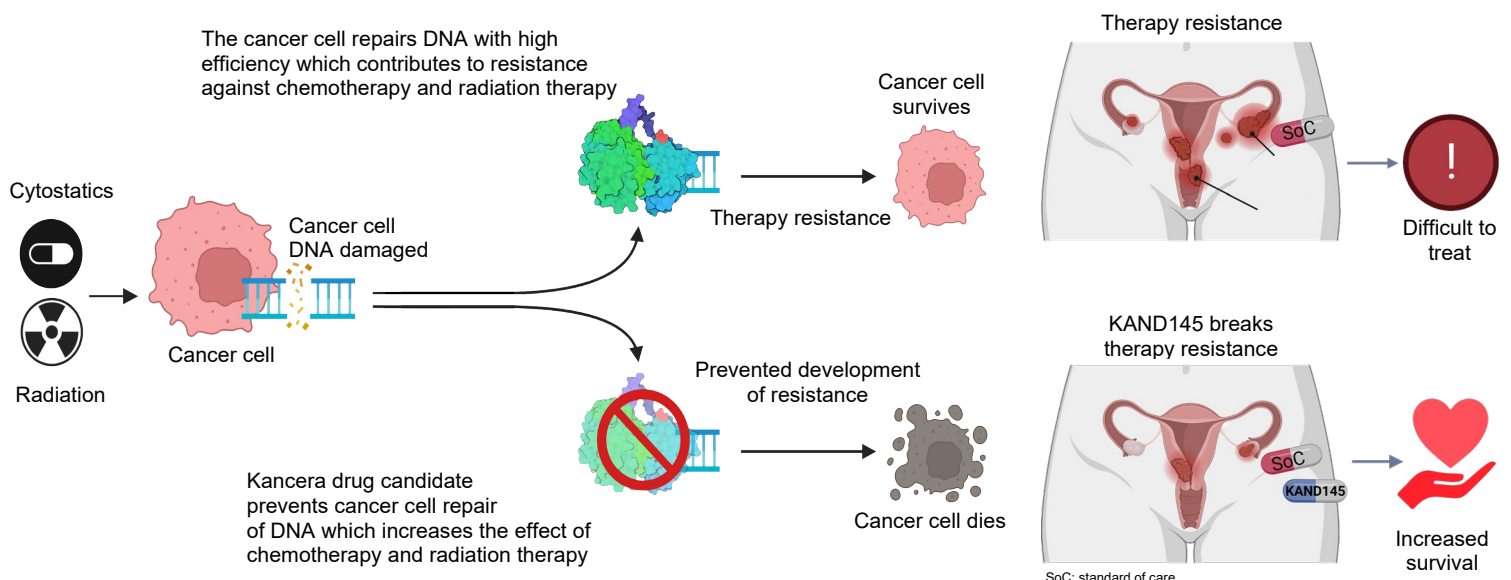
The main goals for Kancera's product portfolio the next 24 months are to:

#### KAND567:

- Complete the ongoing Phase IIa clinical trial for inflammatory heart disease following infarction
- Carry out a phase Ib study against ovarian cancer in order to accelerate the start of a phase IIa study with KAND145 in the same indication

#### KAND145

- Conduct phase I study of in healthy subjects to document desired dose levels against cancer and inflammation
- Start phase IIa study against ovarian cancer towards the goal of achieving orphan drug status



# Projects in preclinical research phase

## **ROR1 (cancer)**

Kancera has shown that substances that inhibit ROR-1, a growth factor receptor found in some cancer tumors, can be used to reprogram the cancer cells so that they destroy themselves by cellular suicide. Kancera's research in collaboration with Karolinska Institutet and independent research groups has shown that ROR-1 is involved in blood cancers such as chronic lymphocytic leukemia (CLL) and certain difficult-to-treat solid tumor diseases such as pancreatic cancer, ovarian cancer and triple negative breast cancer. The continued development of the project is taking place mainly through collaborations with independent academic research groups.

## **PFKFB3 (cancer)**

Research studies published in 2021 by Kancera's researchers in collaboration with Karolinska Institutet show that KAND757 increases the sensitivity of cancer cells to radiation therapy and chemotherapy. In 2021, a research group from University Medical Center Göttingen has also shown that KAND757 effectively kills tumor preparations

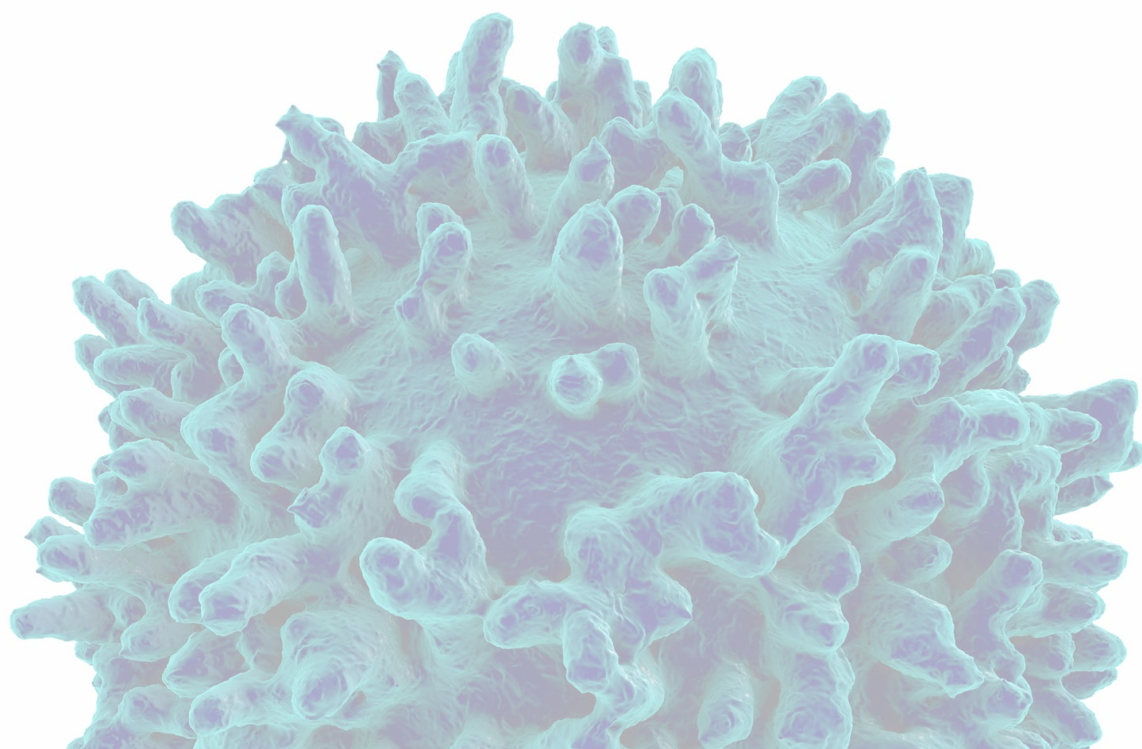
from rectal cancer patients by selectively blocking metabolism. Taken together, these results show that KAND757 has the potential to meet the characteristics sought for the next generation of rectal cancer drugs. Against this background, Kancera has chosen to nominate KAND757 as a drug candidate for preclinical development. The next step is to evaluate the effect of a larger tumor sample material from rectal cancer and develop a suitable technique for local delivery of KAND757 to the tumor before deciding on any clinical development.

## **HDAC (inflammation, cancer)**

For two years until the fourth quarter of 2020, Kancera's HDAC project has been developed in partnership with and financed by the pharmaceutical company Grünenthal in order to counteract nerve inflammation and pain. Kancera owns all rights to preclinical results generated during the collaboration. Kancera has decided to uphold a patent application that includes the most promising chemical series of HDAC inhibitors and for the time being run the low-budget project through collaborations.

For supplementary information on projects and market prospects, see Annual Report 2021

via Kancera's website [www.kancera.com](http://www.kancera.com)





## Financial development in summary

### Financial development, a summary

#### Kancera Group

	jan-mars		jan-dec
SEK 000's (if otherwise not specified)	2022	2021	2021
Net turnover	0	0	90
Other operating revenues	279	565	1 704
Operating expenses	-12 150	-9 567	-46 960
R&D expenses	-10 592	-8 187	-42 634
Operating Income	-11 871	-9 002	-45 256
Income after financial items	-12 008	-9 085	-45 686
Net income	-12 008	-9 085	-45 686
	0		
Cash-flow from operating activities	-9 794	-9 025	44 125
	0		
Cash on hand	96 727	45 413	55 008
	0		
Equity	110 529	66 320	122 770
	0		
<b>Key ratios</b>	0		
R&D costs / total costs, %	87%	86%	91%
Earnings by share, before and after dilution, kr	-0,21	-0,19	-0,82
Cash-Flow by share, kr	-0,17	-0,03	0,9175121
Equity by share, kr	1,97	1,39	2,1866985
Total assets	122 934	77 384	77383,5
Solvency, %	90%	86%	0,9186621
No. of employees	7	8	8

See note 5 for definitions of key ratios

## Comments on the financial development

Kancera AB's operations are mainly the development of drugs for future out-licensing to marketing partners, at which point revenue can be expected.

The lower result for the first quarter compared with the corresponding period last year is attributable to increased costs for the company's research and clinical development, including clinical preparatory toxicological studies and a phase IIa study conducted in England since the fourth quarter of 2021.

## Income and profits

### First quarter, January – March 2022

- Net sales during the quarter amounted to SEK 0 million (0 million).
- Costs during the quarter amounted to SEK 12,2 million (9,6 million) broken down by costs for research and development costs of SEK 10,6 million (8,2 million), and other sales and administrative costs SEK 1,6 million (1,4 million).
- Profit after financial items during the quarter amounted to SEK -12,0 million (-9,1 million).
- Earnings per share for the quarter, based on a weighted average of the number of outstanding shares, amounted to -0,21 SEK (-0,03 SEK).
- Management and the Board assess that research and development costs and operating profit are in line with the company's budget and cash flow forecast.

## Financial position and liquidity

### Balance sheet and cash flow

- Total equity as of March 31, 2022 amounted to SEK 110,5 million (66,3 million).
- Kancera AB's solvency as of 31 March 2022 was 90 percent (86 percent). Equity per share was 1,97 SEK (2,19 SEK).
- Cash flow amounted to SEK -9,8 million (-9,6 million) during the quarter. Cash flow from operating activities amounted to SEK -9,4 million (-9,0 million) or -0,17 SEK per share (0,19 SEK) and from the financing activities it amounted to SEK 0 million (-1,0 million).
- As of March 31, 2022, Kancera AB's cash and cash equivalents amounted to SEK 96.7 million (45.4 million). Increased cash and cash equivalents compared with the previous period are attributable to a new share issue during the second quarter of 2021 and the redemption of warrants during the fourth quarter of 2021.

## Employees

Kancera AB had approximately 7 full-time employees, including 1 EU-funded doctoral student, as of March 31, 2022, of which 5 are men and 2 are women.

## Investments and depreciation

Intangible fixed assets in the balance sheet amount to a total of SEK 21 million, which is divided into 2 projects: the ROR1 project, SEK 3 million and the Fractalkine project, SEK 18 million. The item for the ROR1 project arose as a result of a non-cash issue at the formation of Kancera AB. The item for the Fractalkine project is the sum of three off-set issues carried out in accordance with the acquisition agreement. The Board conducts assessments on an ongoing basis if there are indications of impairment. In the event of an indication of impairment and at least once a year, an impairment test is performed. As of 31 December 2021, there are no indications of a decline in value. No investments were made in fixed assets during the quarter.

## The 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 Förvaltnings AB. The parent company in the group is the Swedish public limited company Kancera AB (publ.) whose shares are listed on Nasdaq First North, the Premier Segment from October 28, 2016.

## The share capital and the share

On March 31, 2022, the share capital amounted to SEK 46 786 623.35 (SEK 39 837 272) divided into 56 143 948 (47 804 540) shares with a quota value of, rounded off, SEK 0.83 (0.83) per share. The changed share capital, and the number of shares are attributable to the new issue of shares carried out in April 2021 and the redemption of TO4 and TO5.

## Tax deficits

Kancera AB's current operations are initially expected to result in negative results and tax deficits. At present, there are not sufficiently convincing reasons to suggest that tax surpluses will exist in the future that can justify an activation of the value of the deficits, and no deferred tax asset has been reported. In the event of a sale of a drug candidate, profits are expected to be reported which are currently judged to be tax deductible against previous years' tax deficits, which would mean a low tax burden for the Company when a project is sold. The tax deficits as of December 31, 2021 amounted to SEK 345 833 000. No deferred tax assets are reported for these tax deficits.

# Report on comprehensive income

## Consolidated Statement of Comprehensive Income

SEK 000's (if otherwise not specified)

	1 jan - 31 mars 2 022	1 jan - 31 dec 2 021	1 jan - 31 dec 2 021
<b>Kancera Group</b>			
Net sales			
Other operating revenues	279	565	1 704
Cost of sales & services			
<b>Gross profit</b>	<b>279</b>	<b>565</b>	<b>1 704</b>
<i>Operating Expenses</i>			
General & administrative expenses	-1 037	-1 268	-3 620
Selling expenses	-521	-112	-706
Research & development expenses	-10 592	-8 187	-42 634
<b>Total operating expenses</b>	<b>-12 150</b>	<b>-9 567</b>	<b>-46 960</b>
<b>Operating income</b>	<b>-11 871</b>	<b>-9 002</b>	<b>-45 256</b>
<i>Income from Financial Investments</i>			
Financial net	-137	-83	-430
<b>Income after financial items</b>	<b>-12 008</b>	<b>-9 085</b>	<b>-45 686</b>
Taxation			0
<b>Net income</b>	<b>-12 008</b>	<b>-9 085</b>	<b>-45 686</b>
Average number of shares (thousands), before and after dilution	56 144	308 231	55 968
Number of shares at closing date (thousands)	56 144	47 805	56 144
Earnings per share, before and after dilution	-0,21	-0,03	-0,82



## Report on financial position

### Condensed Consolidated Statement of Financial Position

SEK 000's

Kancera Group	2022	31-mar 2021	31-dec 2021
<b>Assets</b>			
<b>Non-current Assets</b>			
<b>Intangible assets</b>			
Capitalized R&D	21 000	21 000	21 000
<b>Tangible assets</b>			
Lease assets	517	0 837	0 607
<b>Financial assets</b>			
Financial placements	1	1	1
<b>Total non-current assets</b>	<b>21 518</b>	<b>21 838</b>	<b>21 608</b>
<b>Current Assets</b>			
Trade receivables and other receivables	4 689	10 133	5 511
Cash and cash equivalents	96 727	45 413	106 521
<b>Total current assets</b>	<b>101 416</b>	<b>55 546</b>	<b>112 032</b>
<b>TOTAL ASSETS</b>	<b>122 934</b>	<b>77 384</b>	<b>133 640</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity	110 529	66 320	122 770
<b>total equity</b>	<b>110 529</b>	<b>66 320</b>	<b>122 770</b>
<b>Liabilities</b>			
Long-term liabilities	0	442	442
Short-term liabilities	12 405	10 622	10 429
<b>Total liabilities</b>	<b>12 405</b>	<b>11 064</b>	<b>10 870</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>122 934</b>	<b>77 384</b>	<b>133 640</b>

## Report on changes in equity

### Consolidated report on changes in equity

Kancera Group, Jan 1 2020 - Dec 31 2020

SEK 000's

	Sharecapital	Ongoing share issue	Other capital contributions	Accumulated deficit	Total equity
<b>First quarter</b>					
<b>Opening balance 2021-01-01</b>	39 516	0	80 325	-47 558	72 283
<i>Comprehensive income</i>					
<i>Net income for the period</i>			-47 558	47 558	
Total comprehensive income				-9 085	-9 085
Transactions with shareholders	0	0	0	-9 085	-9 085
<i>Capital injections</i>					
Capital injection costs					
Ongoing share issue		-115	-35		-150
Total transactions with shareholders		3 272			3 272
Closing balance 2021-03-31	0	3 157	-35		3 122
	<b>39 516</b>	<b>3 157</b>	<b>32 732</b>	<b>-9 085</b>	<b>66 320</b>
<b>The period January-Dec</b>					
<b>Opening balance 2021-01-01</b>	<b>39 516</b>	<b>0</b>	<b>73 267</b>	<b>-40 500</b>	<b>72 283</b>
<b>Comprehensive income</b>					
<i>Appropriation of last year's net income</i>			-45 686	40 500	
<i>Net income for the period</i>				-45 686	-45 686
Total comprehensive income	0	0	-45 686	-45 686	-45 686
<i>Transactions with shareholders</i>					
Capital injections	7 270		100 913		108 183
Capital injection costs			-12 244		-12 244
Ongoing share issue					0
Total transactions with shareholders	7 270	0	88 669	0	95 939
<b>Closing balance 2021-12-31</b>	<b>46 786</b>	<b>0</b>	<b>116 250</b>	<b>-45 686</b>	<b>122 536</b>
<b>First quarter</b>					
<b>Opening balance 2022-01-01</b>	<b>46786</b>	<b>0</b>	<b>121436</b>	<b>-45686</b>	<b>122536,49</b>
<b>Comprehensive income</b>					
<i>Appropriation of last year's net income</i>			-45 686	45 686	
<i>Net income for the period</i>				-12 007	-12 008
Total comprehensive income	0	0	-45 686	33 679	-12 008
<i>Transactions with shareholders</i>					
Capital injections	0				0
Capital injection costs					0
Ongoing share issues					0
Total transactions with shareholders	0	0	0	0	0
<b>Closing balance 2022-03-31</b>	<b>46 786</b>	<b>0</b>	<b>75 750</b>	<b>-12 008</b>	<b>110 529</b>

# Cash flow report

## Condensed Consolidated Statement of Cash-Flow

SEK 000's

	1 jan-31 mars 2022	2021	1 jan-31 dec 2021
<b>Kancera Group</b>			
<i>Cash-flow from operating activities</i>			
Operating income after financial items	-12 008	-9 085	-45 686
Depreciation	90	90	320
Taxes paid	-152	-106	-386
Other non-cash flow items		0	0
<b>Cash-flow from operating activities before working capital change</b>	<b>-12 070</b>	<b>-9 101</b>	<b>-45 753</b>
Change in working capital	2 717	76	1 628
<b>Cash-flow from operating activities</b>	<b>-9 352</b>	<b>-9 025</b>	<b>-44 125</b>
<i>Investment activities</i>			
Investments in financial assets	0	0	0
Investments in financial assets	0	0	0
<b>Cash-flow from investment activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FREE CASH-FLOW available to INVESTORS</b>	<b>-9 352</b>	<b>-9 025</b>	<b>-44 125</b>
<i>Financing activities</i>			
Change in debt referable to financing activities	-442	-535	-302
Issue of shares/other capital infusions	0	-35	95940
Repayment of loans	0	0	0
Increase in short-term financing	0	0	0
<b>Cash-flow from financing activities</b>	<b>-442</b>	<b>-570</b>	<b>95638</b>
<b>CASH-FLOW for the PERIOD</b>	<b>-9 794</b>	<b>-9 595</b>	<b>51 513</b>
Cash and cash equivalents at the beginning of the period	106 521	55 008	55 008
Cash and cash equivalents at the end of the period	96 727	45 413	106 521

## Income statement

<b>Income statement</b>			
The Parent Company Kancera AB	1 jan - 31 mars	1 jan - 31 dec	
SEK 000's (if otherwise not specified)	2 022	2 021	2 021
<i>Revenues</i>			
Net sales			
Other operating revenues	279	565	1 704
Cost of sales & services			
<b>Gross profit</b>	<b>279</b>	<b>565</b>	<b>1 704</b>
<i>Operating Expenses</i>			
General & administrative expenses	-10 592	-1 268	-3 620
Selling expenses	-521	-112	-706
Research & development expenses	-1037	-8187	-42 634
<b>Total operating expenses</b>	<b>-12 150</b>	<b>-9 567</b>	<b>-46 960</b>
<b>Operating income</b>	<b>-11 871</b>	<b>-9 002</b>	<b>-45 256</b>
<i>Income from Financial Investments</i>			
Financial net	-115	-78	-413
<b>Income after financial items</b>	<b>-11 986</b>	<b>-9 080</b>	<b>-45 669</b>
Taxation	0	0	0
<b>Net income</b>	<b>-11 986</b>	<b>-9 080</b>	<b>-45 669</b>



## Balance sheet summary

### Condensed Parent Company Balance Sheet

SEK 000's

The Parent Company Kancera AB

	31 Mar 2022	31 Dec 2021
<b>Assets</b>		
<i>Non-current Assets</i>		
<i>Intangible assets</i>		
Capitalized R&D	21 000	21 000
<i>Financial assets</i>		
Shares in subsidiaries	50	50
Financial placements	1	1
<b>Total non-current assets</b>	<b>21 051</b>	<b>21 051</b>
<i>Current Assets</i>		
Intercompany receivables		1
Trade receivables and other receiv	4 721	4 572
Cash and cash equivalents	96 679	106 473
<b>Total current assets</b>	<b>101 400</b>	<b>111 045</b>
<b>TOTAL ASSETS</b>	<b>122 451</b>	<b>132 096</b>
<i>Equity and Liabilities</i>		
<i>Equity</i>		
Equity	110 580	122 567
<b>total equity</b>	<b>110 580</b>	<b>122 567</b>
<i>Liabilities</i>		
Short-term liabilities	11 871	9 529
<b>Total liabilities</b>	<b>11 871</b>	<b>9 529</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>122 451</b>	<b>132 096</b>

## 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 2021 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 Group management has assessed that the criteria for capitalization have not been met.

Amounts are stated in Swedish kronor (SEK), rounded 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 SEK 60,000 (60,000) to Mellstedt Consulting AB for services comprising scientific advice and scientific marketing. Håkan Mellstedt, board member of Kancera AB, is the CEO and owner of Mellstedt Consulting AB. Otherwise, Kancera AB has not paid remuneration to related parties apart from board fees and expenses for costs.

### Note 3: Received grants to be finalized at a later time

Awarding body	Amount awarded KSEK	Amount paid, KSEK	Date for reporting
EU TOBEATPAIN <sup>1</sup>	2 637	1 791	Next: July 2022
Total	2 637	1 791	

1. According to EUR exchange rate SEK 10. Approved amount of approx. SEK 2 637 000. Amount paid of approximately SEK 1 791 000. The remaining amount of the grant, of which approximately SEK 248 000 goes to administration and education at the coordinating university, will be paid out on completion of the approved final report which is submitted to the EU for review in July 2022.

## Note 4: 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 can have an effect on the Group's earnings and financial position to varying degrees. For a description of the Group's risks, see page 29 in the annual report for 2021. In addition to these reported risks, the COVID-19 pandemic still constitutes a certain risk, despite an increased degree of vaccination, as the capacity in the healthcare system to conduct clinical studies may decrease, which may affect the timelines for the company's clinical trials. The board estimates that the war in Ukraine may have a negative effect on the company's operations in 2022, but that the board currently cannot assess how large that effect may be.

## Note 5: 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, such as return on equity, return on capital employed and cash flow per share. 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 proportion of total

The figure provides information on how large a part of the company's costs pertains to the core business. This gives a picture of cost allocation and an indication of how large the part of the administrative part takes up of the total cost mass.

### Balance sheet total

The company's total assets or liabilities and equity. Provides a picture of the company's change in assets over time. Relevant as a result of capital raising that takes place in the company.

### Equity per share

Shareholders' equity divided by the number of shares on the balance sheet date.

### Cash flow per share

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

### Options-based trading

Agreement between two parties whereby one party through prepayment acquires the possibility to later acquire exclusive rights to the asset in question.

### Solidity

Equity as a percentage of total assets.

## The Board's declaration

The Board of Directors and the CEO assure that the year-end report provides a true and fair view of the company's operations, position and results, and describes the material risks and uncertainties that the company and the Group face.

Stockholm 20 May 2022

Erik Nerpin  
Chairman

Håkan Mellstedt  
*Board member*

Charlotte Edenius  
*Board member*

Carl-Henrik Heldin  
*Board member*

Anders Gabrielsen  
*Board member*

Petter Brodin  
*Board member*

Thomas Olin  
*CEO/ Board member*

This report has not been subject to review by the company's auditors.

### Upcoming reports and the Annual General Meeting

Annual General Meeting 2022	25 May 2022
Interim report January-June 2022	19 August 2022
Interim report January-September 2022	18 November 2022
Year-end report January-December 2022	21 February 2023





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