Interim Report
First Quarter 2023

January 1 – March 31 2023
Kancera AB (publ.), org.no. 556806-8851

Table of contents

About Kancera

Kancera is developing 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 at Karolinska Institutet Science Park in Solna. Kancera's vision is to develop new drugs that contribute to a normalized life for patients and more efficient care. The company is focusing its resources on developing a new class of small molecule drug candidates that operate through the so-called 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. Kancera primarily sees opportunities within two disease areas, hyperinflammation and treatment-resistant cancer, both with significant medical need and market potential.

Kancera is run 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 inception 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 efficacy in humans.

In 2023, Kancera will have three clinical development projects with significant value potential:

- The FRACTAL study: a phase IIa study of KAND567 in myocardial infarction
- The KANDOVA study: a combined phase Ib/IIa study of KAND567 in ovarian cancer
- Phase I / First-In-Human Study of KAND145

Business model
Kancera's business model is to develop innovative drug candidates with strong IP protection, demonstrate efficacy in patients and, by virtue of these results, enter into commercially attractive collaboration agreements with other pharmaceutical companies. By developing and commercializing drug candidates in partnership, Kancera's need for capital is reduced and portfolio risk 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.

The period in brief

January – March

Financial summary for the first quarter

- Net sales amounted to SEK 0 million (SEK 0).
- R&D expenses amounted to SEK 15,2 million (SEK10,6 million).
- Operating profit for the first quarter amounted to SEK -17.2 million (SEK -11.9 million).
- The loss after financial items for the first quarter amounted to SEK -17.5 million (SEK -12.0 million
- Earnings per share, before and after dilution, for the first quarter amounted to SEK -0.22 (SEK -0.21).
- Cash flow from operating activities for the first quarter amounted to SEK -19.0 million (SEK -9.8 million).
- As of 31 March 2023, equity amounted to SEK 89.4 million (SEK 110.5 million) or SEK 1.12 (SEK 1.97) per share.
- The equity/assets ratio on 31 March 2023 was 8.5 percent (90 percent).
- Cash and cash equivalents on 31 March 2023 amounted to SEK 76.1 million (SEK 96.8 million).

Significant events during the first quarter

- Kancera reported that the US Patent Office has granted a patent protecting the production method of KAND567 and KAND145. The patent is owned by Kancera and is valid until 2039.
- Kancera reported that the Swedish Medical Products Agency has approved the company's application to conduct the KANDOVA study.
- Kancera announced the appointment of Hanjing Xie as its new Chief Medical Officer.
- Kancera reported that the recruitment of patients to the FRACTAL study has been completed and that a total of 71 patients have been recruited to the study.
- Kancera reported that an in-depth analysis of data from the phase IIa study in COVID patients shows that short-term treatment with KAND567 has a long-term pharmacological effect on certain pro-inflammatory and tumor-stimulating immune cells.
- Kancera reported that applications to conduct the KANDOVA study have been submitted to the regulatory authorities in Denmark and Norway.

Important events after the end of the period

- Kancera reports that the regulatory application to conduct a phase I study of KAND145 in healthy subjects has been submitted.
- Kancera reports that the Danish and Norwegian Medicines Agencies have approved the company's application to conduct the KANDOVA study.
- Kancera reports that screening of patients for the KANDOVA study has started at Karolinska University Hospital in Solna.
- Kancera reports that the exercise period for warrants of series TO6 started on May 3 and was completed on May 17, 2023.

CEO statement

Recruitment of myocardial infarction patients to the FRACTAL study completed
The KANDOVA study in ovarian cancer starts

2023 will be an important and eventful year for Kancera with three projects in clinical development phase:

- The FRACTAL study: a phase IIa study of KAND567 in myocardial infarction
- The KANDOVA study: a combined phase Ib/IIa study of KAND567 in ovarian cancer
- Phase I / First-In-Human Study of KAND145

Kancera's business strategy is based on the development of innovative drug candidates with strong IP protection and robust study data that reach the market and provide benefits for patients through commercially attractive collaboration agreements with internationally established pharmaceutical companies. During the first quarter of the year, several important results were delivered in line with this strategy and important steps were taken towards the goal of establishing a strong clinical development portfolio with significant value potential for Kancera's share holders.

In the FRACTAL study, we completed recruitment by reaching a total of 71 treated patients, which exceeds the target of 60 patients originally set for the study. Analysis of the data is now ongoing, and we plan to report the study's overall results in the third quarter of this year.

Prior to the start of the KANDOVA study, we received regulatory approval in Sweden and after the period we have also received approval in Norway and Denmark. Karolinska University Hospital in Solna was then the first to start screening of patients who will participate in the study.

During the period, Kancera finalized the extensive documentation required to submit the regulatory application to conduct the first study of KAND145 in human, our second clinical drug candidate within the Fractalkine program. After the period Kancera has reported that the application has been submitted.

During the period, Kancera also reported important results from in-depth analyses conducted on data from the previously conducted phase IIa study of KAND567 in COVID patients. These analyses show that KAND567 has the ability to regulate certain types of immune cells over a long period of time. These immune cells, so-called non-classical monocytes, have been shown by several different research groups to be strongly correlate to several forms of serious medical conditions, including hyperinflammation, cancer and autoimmune diseases. What makes the findings unique is that the effect persists for several months after the end of treatment with KAND567. The discovery indicates that a short-term treatment with KAND567 may have a long-term effect on certain pro-inflammatory and tumor-stimulating immune cells, which strengthens our conviction of the potential to show efficacy in the FRACTAL and KANDOVA studies.

During the period, Kancera reported that the company's applications for patent protection of the manufacturing processes for KAND567 and KAND145 were approved in the US and Japan, which constitute two major markets for pharmaceuticals. These are important milestones as strong IP protection is the basis for entering in attractive commercial partnerships. The processing of these patent applications continues in Europe and other territories.

In parallel with the company's research and development work, we put great effort into business development activities aimed at positioning ourselves for partnerships with internationally established pharmaceutical companies. These activities are ongoing but will be further intensified

in connection with reporting the results from the FRACTAL study.

The financial result for the period is in line with the company's plan. The macroeconomic environment, including high inflation, higher interest rates and higher energy prices, is not expected to affect the implementation of our business plan and the capital raised by Kancera at the end of 2022 has secured financing for the completion of all three ongoing clinical development projects.

As mentioned, the year has started very positively for Kancera and we look forward with confidence to an eventful year, and expect a strong news flow:

- Second quarter: continuous patient recruitment to the KANDOVA study
- Third quarter: approval and start of the First-In-Human study of KAND145 and reporting of results from the FRACTAL study
- Fourth quarter: transition from phase Ib to IIa in the KANDOVA study and reporting of results from the First-In-Human study.

Solna, May 19 2023

Kancera AB
Thomas Olin, CEO

Kancera's research and development

A new class of drugs for the treatment of hyperinflammation and treatment-resistant cancer

Kancera's main focus is to develop drug candidates that work through the so-called Fractalkine axis. The Fractalkine axis acts as a master regulator of various types of immune cells. Both of Kancera's small-molecule drug candidates KAND567 and KAND145 function by blocking the Fractalkine receptor CX3CR1 from binding to the Fractalkine ligand CX3CL1. As the Fractalkine axis regulates immune cells, Kancera sees great potential to treat a variety of diseases, both acute and chronic, but the company focuses primarily on two areas:

- acute tissue damage to the heart and kidneys as a result of hyperinflammation, and
- treatment of cancer

The Fractalkine axis and hyperinflammation
Hyperinflammation is a concept that encompasses a form of excessive activation of the immune system, which can cause serious damage to tissues. In this area, the company sees great medical needs in cases where the hyperinflammation occurs as a result of acute heart and kidney injuries. Based on the mechanism of action for KAND567 and KAND145, Kancera sees great opportunities for preventive treatment *before* hyperinflammation occurs.

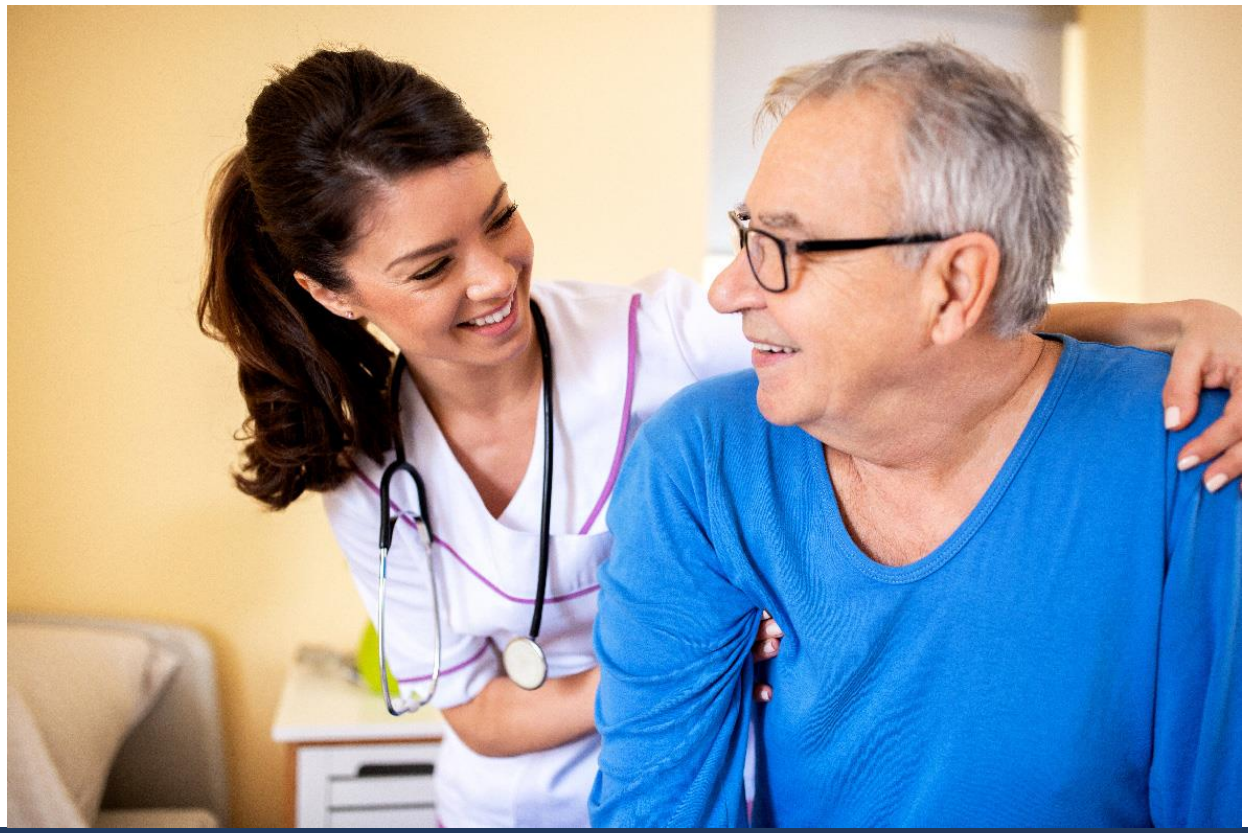
The Fractalkine axis and treatment-resistant cancer
In the early phase of cancer, the cancer is in most cases treated with chemotherapy, e.g. platinum compounds, or radiation. Initially, chemotherapy or radiation can effectively cause damage to the cancer cell's DNA. In advanced disease, however, the cancer cells develop the ability to repair the DNA damage created by cytostatic or radiation treatment, and the patient develops resistance to treatment. Kancera's Fractalkine-blocking drug candidates KAND567 and KAND145 have the potential to inhibit this resistance through two different mechanisms of action, both of which contribute to reducing tumor growth:

Blocking of DNA repair
Kancera has published results showing that the company's Fractalkine-blocking drug candidates can block the cancer's ability to repair the damage that platinum-chemotherapy cause to the cancer's DNA. A similar effect is sought in treatment with so-called PARP inhibitors, but KAND567 and KAND145 are expected to be effective against tumors where PARP inhibitors do not provide the desired effect against the tumor. The reason for this is that Kancera's drug candidates act through another pathway and against another target (Fanconi anemia pathway). The company sees great opportunities for Fractalkine blockers in the field of solid tumors, such as ovarian cancer, lung cancer and breast cancer.

Blocking of tumor promoting cells in the tumor microenvironment
A tumor consists of various supporting cells in its microenvironment. New research has shown that these supporting cells are crucial for how the tumour grows, spreads and is affected by drug treatment. In ovarian cancer, certain immune cells and tissue cells, so-called tumor-associated macrophages and fibroblasts, have been shown to negatively affect the development of the disease and increase the tumor's resistance to chemotherapy. In preclinical studies, Kancera has shown that the company's Fractalkine blockers have the ability to prevent these disease-driving cells from establishing themselves in tumours. This means that Kancera's drug candidates have the potential to deprive the tumour of the supporting cells that contribute to the tumour's growth, spread and resistance to chemotherapy.

Two generations of Fractalkine blockers
KAND567 is a Fractalkine blocker that Kancera acquired from AstraZeneca in 2016, then in preclinical phase. KAND145 is a new drug candidate that has been fully developed and patented by Kancera. KAND145 builds on KAND567's mechanism of action, but has some improved product properties; e.g. the ability of formulation of higher peroral dosing and increased infusion time for intravenous therapy. KAND145 is a so-called "pro drug" which means that, after

administration, KAND145 is converted to KAND567 in the body. The company's main strategy is to develop KAND567 for inflammatory diseases that do not require high oral dosing and KAND145 for cancer diseases or inflammatory diseases that require a long intravenous infusion time.



Kancera's clinical stage projects

More than 90% of the company's resources are allocated to the Fractalkine project and the drug candidates KAND567 and KAND-145. With the current financing, Kancera intends to advance the project portfolio according to the following objectives:

- Finalize the FRACTAL-study, a phase IIa study of KAND567 in myocardial infarction patients undergoing percutaneous coronary intervention, with planned reporting of top line results in the third quarter of 2023.
- Conduct the KANDOVA-study, a combined phase Ib/IIa study of KAND567 in ovarian cancer with planned reporting of top line results in the second half of 2024.
- Conduct the phase Ia/First-In-Human study of KAND145 in healthy subjects with planned results in the fourth quarter of 2023.

Within the framework of the Fractalkine project, a majority of the company's resources are currently allocated to KAND567 and the two clinical studies. As KAND145 advances, the share of the company's investments in this drug candidate is expected to increase.

FRACTAL study - KAND567 in ongoing phase IIa study
During the fourth quarter of 2021, Kancera initiated a clinical phase IIa study in patients with myocardial infarction in collaboration with the British NHS Foundation, which is the sponsor of the study. The study is mainly conducted at the Freeman Hospital in Newcastle, one of the world's leading university hospitals. The objective of this clinical development is ultimately to increase survival and reduce the risk of severe complications after severe myocardial infarction. In addition to documenting the tolerability and safety of the drug candidate, this phase IIa study aims to identify signals of efficacy against the inflammatory injuries that occur in connection with myocardial infarction, as well as positive effects on heart function.

Treatment with KAND567 is initiated before percutaneous coronary intervention is performed and is given for up to 72 hours. The expected cardiovascular protective effect will be followed with magnetic resonance imaging (MRI) and biomarkers for inflammation and heart damage. The recruitment of patients was completed in February and the goal is now to report top line results during the third quarter of 2023.

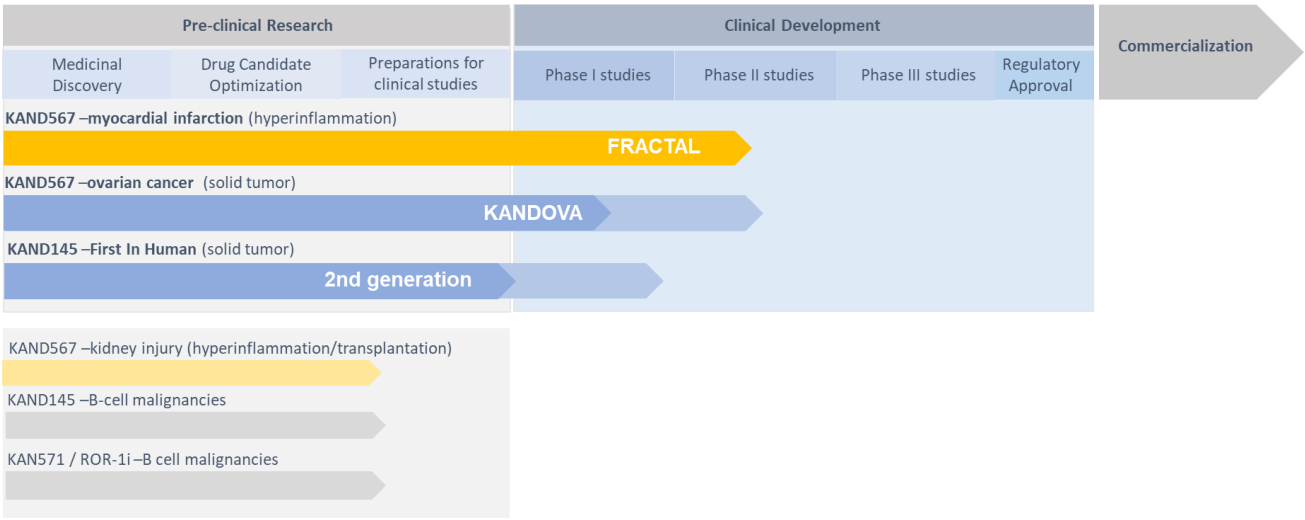
KANDOVA study - KAND567 in combined phase Ib/IIa study
KANDOVA is a combined phase Ib/IIa study in patients with ovarian cancer with relapse after platinum-based chemotherapy. The study is planned to be conducted at five university hospitals in Sweden, Denmark and Norway. Screening for patients began in April at Karolinska University Hospital in Solna. The company expects patient screening at other hospitals to begin on an ongoing basis from May onwards.

The study is conducted in collaboration with the clinical trials unit of Nordic Society of Gynaecological Oncology, a network of the leading university hospitals and investigators in gynaecological cancer in the Nordics (NSGO-CTU). NSGO establishes treatment guidelines for ovarian cancer in the Nordic countries and conducts or supports clinical studies in the field. Through the collaboration with NSGO-CTU, Kancera believes that the company's opportunities to recruit patients and conduct the study according to the desired schedule will increase significantly.

In addition to documenting the safety and tolerability of KAND567, this phase Ib/IIa study in a total of 30 patients intends to identify signals of efficacy.

First-In-Human study – KAND145 in planned phase Ia study
The phase I study of KAND145 is planned to start in the early third quarter of 2023. The study design is a randomized, double-blind and placebo-controlled study of KAND145 in healthy subjects to evaluate safety, tolerability, pharmacological effect, food effect and interaction with midazolam after oral single and multiple ascending dosing of KAND145. The study is being conducted at a site in Finland and in total approximately 40 study subjects are expected to be enrolled, of which approximately 30 will receive active substance and 10 subjects will receive placebo. KAND145 represents the next generation of Fractalkine blockers that Kancera primarily intends to develop for the treatment of cancer. The result is expected to be reported in the fourth quarter of 2023.

Kancera's research and development portfolio



For additional information about projects and market prospects, see Annual Report 2022 on Kancera's website www.kancera.com

Financial development in summary

Financial development, a summary

Kancera Group	jan-mars		jan-dec
SEK 000´s (if otherwise not specified)	2023	2022	2022
Net turnover	0	0	0
Other operating revenues	136	279	753
Operating expenses	-17 323	-12 150	-52 687
R&D expenses	-15 168	-10 592	-45 608
Operating Income	-17 187	-11 871	-51 934
Income after financial items	-17 499	-12 008	-52 484
Net income	-17 499	-12 008	-52 484
Cash-flow from operating activities	-19 018	-9 794	-48 158
Cash on hand	76 131	96 727	95 149
Equity	89 413	110 529	106 912
Key ratios			
R&D costs / total costs, %	88%	87%	87%
Earnings by share, before and after dilution, kr	-0,22	-0,21	-0,90
Cash-Flow by share, kr	-0,24	-0,17	-0,61
Equity by share, kr	1,12	1,97	1,34
Total assets	104 734	122 934	120 738
Solvency, %	85%	90%	0,89
No. of employees	5	7	5

See Note 5 for key ratio definitions.

Comments on financial developments

Kancera AB's business is mainly the development of pharmaceuticals for future out-licensing to marketing partners when net income can be expected.

Income and profit

First quarter, January – March 2023

- Net sales during the quarter amounted to SEK 0 million (MSEK 0).
- Costs during the quarter were in accordance with plan and amounted to SEK 17.3 million (SEK 12.2 million), divided between costs for research and development costs SEK 15.2 million (SEK 10.6 million), and other selling and administrative expenses SEK 2.2 million (SEK 1.6 million). The increased costs compared to the same period last year are explained by the fact that the company now has more projects in clinical development.
- Profit after financial items was in accordance with plan and amounted to SEK -17.5 million (SEK -12.0 million) during the quarter. The weaker result compared to the same period last year is explained by the fact that the company now has more projects in clinical development phase and thus higher costs.
- Earnings per share for the quarter, based on a weighted average of the number of shares outstanding, amounted to
  -0,22 kr (-0,21 kr).

Financial position and cash flow

Balance sheet and cash flow

- Total equity amounted to SEK 89.4 million (SEK 110.5 million) as of 31 March 2023.
- Kancera's equity/assets ratio as of 31 March 2022 was 85 per cent (90 per cent). Equity per share was SEK 1.12 (SEK 1.97).
- Cash flow amounted to SEK -19.0 million (SEK -9.8 million) in the first quarter. Cash flow from operating activities amounted to SEK -19.0 million (SEK -9.4 million) or SEK –0.24 million per share (SEK -0.17 million) and from financing activities it amounted to SEK 0 million (SEK 0.4 million). Cash flow is in line with Kancera's operating expenses, and the higher negative cash flow compared to the same period last year is explained by increased operating expenses.
- As of 31 March 2023, Kancera's cash and cash equivalents amounted to SEK 76.1 million (SEK 96.7 million).

Employees

Kancera AB had approximately 5 full-time employees as of March 31, 2023, of which 5 are men and 0 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 in connection with the formation of Kancera AB. The item for the Fractalkine project is the sum of three set-off issues carried out under acquisition agreements. The valuation of these two immaterial assets in the balance sheet is therefore the result of the contractual terms of the acquisitions of the projects and not the market valuation of the projects. For a description of the market outlook for Kancera's projects, 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.

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 on 28 October 2016. Kancera Förvaltning AB is a dormant company.

Share capital and share

The share capital on 31 March 2023 amounted to SEK 66 273 643.35 (SEK 46 786 623.35) divided into 79 528 372 (56 143 948) shares with a quotient value of, rounded off, SEK 0.83 (0.83) per share. The increase in the number of shares is attributable to the new issue of shares carried out in November 2022.

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 397 636 000 as of December 31, 2022. No deferred tax asset is recognized for these tax losses.

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income

SEK 000's (if otherwise not specified)

	1 jan - 31 mar		1 jan - 31 dec
	2023	2022	2022
Kancera Group			
Net sales			
Other operating revenues	136	279	753
Cost of sales & services			
Gross profit	**136**	**279**	**753**
Operating Expenses			
General & administrative expenses	-1 737	-1 037	-4 685
Selling expenses	-418	-521	-2 394
Research & development expenses	-15 168	-10 592	-45 608
Total operating expenses	**-17 323**	**-12 150**	**-52 687**
Operating income	**-17 187**	**-11 871**	**-51 934**
Income from Financial Investments			
Financial net	-312	-137	-550
Income after financial items	-17 499	-12 008	-52 484
Taxation			0
Net income	**-17 499**	**-12 008**	**-52 484**
Average number of shares (thousands), before and after dilution	79 528	56 144	58 158
Number of shares at closing date (thousands)	79 528	56 144	79 528
Earnings per share, before and after dilution	-0,22	-0,21	-0,90

Condensed Consolidated Statement of Financial Position

Condensed Consolidated Statement of Financial Position

SEK 000´s

Kancera Group	31-mar		31-dec
	2023	2022	2022
Assets			
Non-current Assets			
Intangible assets			
Capitalized R&D	21 000	21 000	21 000
Tangible assets			
Lease assets			0
	157	517	247
Financial assets			
Financial placements	1	1	1
Total non-current assets	**21 158**	**21 518**	**21 248**
Current Assets			
Trade receivables and other receivables	7 445	4 689	4 341
Cash and cash equivalents	76 131	96 727	95 149
Total current assets	**83 576**	**101 416**	**99 490**
TOTAL ASSETS	**104 734**	**122 934**	**120 738**
Equity and Liabilities			
Equity			
Equity	89 413	110 529	106 912
total equity	**89 413**	**110 529**	**106 912**
Liabilities			
Long-term liabilities	0	442	0
Short-term liabilities	15 321	11 963	13 826
Total liabilities	**15 321**	**12 405**	**13 826**
TOTAL EQUITY and LIABILITIES	**104 734**	**122 934**	**120 738**

Statement of changes in equity

Consolidated report on changes in equity

Kancera Group, Jan 1 2022 - March 31 2023 SEK 000´s	Sharecapital	Ongoing share issue	Other capital contributions	Accumulated deficit	Total equity
First quarter					
Opening balance 2022-01-01	46 786	0	121 436	-45 686	122 536
Comprehensive income					
Net income for the period			-45 686	45 686	
Total comprehensive income				-12 007	-12 007
Transactions with shareholders	0	0	0	-12 007	-12 007
Capital injections					
Capital injection costs					
Ongoing share issue					
Total transactions with shareholders					
Closing balance 2022-03-31	0	0	0		0
	46 786	**0**	**75 750**	**-12 007**	**110 529**
The period January-Dec					
Opening balance 2022-01-01	**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			-45 686	-52 484	-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
Closing balance 2022-12-31	**66 273**	**0**	**93 122**	**-52 484**	**106 912**
First quarter					
Opening balance 2023-01-01	**66273**		**93122**	**-52484**	**106912**
Comprehensive income					
Appropriation of last year´s net income			-52 484	-52 484	
Net income for the period				-17 499	-17 499
Total comprehensive income			-52 484	-17 499	-17 499
Transactions with shareholders					
Capital injections					0
Capital injection costs					0
Ongoing share issues					0
Total transactions with shareholders	0	0	0	0	0
Closing balance 2023-03-31	66 273	**0**	**40 638**	**-17 499**	**89 413**

Cash flow statement

Condensed Consolidated Statement of Cash-Flow

SEK 000´s	1 jan-31 mars		1 jan-31 dec
Kancera Group	2023	2022	2022
Cash-flow from operating activities			
Operating income after financial items	-17 499	-12 008	-52 484
Depreciation	90	90	360
Taxes paid	18	-152	732
Other non-cash flow items		0	-40
Cash-flow from operating activities before working capital change	**-17 391**	**-12 070**	**-51 432**
Change in working capital	-1 614	2 717	3 274
Cash-flow from operating activities	**-19 005**	**-9 353**	**-48 158**
Investment activities			
Investments in financial assets	0	0	0
Investments in financial assets	0	0	0
Cash-flow from investment activities	**0**	**0**	**0**
FREE CASH-FLOW available to INVESTORS	**-19 005**	**-9 353**	**-48 158**
Financing activities			
Change in debt referrable to financing activities	-13	-442	0
Issue of shares/other capital infusions	0	0	36759
Repayment of loans	0	0	27
Increase in short-term financing	0	0	0
Cash-flow from financing activities	**-13**	**-442**	**36786**
CASH-FLOW for the PERIOD	**-19 018**	**-9 794**	**-11 372**
Cash and cash equivalents at the beginning of the period	95 149	106 521	106 521
Cash and cash equivalents at the end of the period	76 131	96 727	95 149

Condensed Income Statement – Parent company

Consolidated Statement of Comprehensive Income

The Parent Company Kancera AB	1 jan - 31 mars		1 jan - 31 dec
SEK 000´s	**2023**	**2022**	**2022**
Revenues			
Net sales			
Other operating revenues	136	279	754
Cost of sales & services			
Gross profit	**136**	**279**	**754**
Operating Expenses			
General & administrative expenses	-1 737	-10 592	-4 715
Selling expenses	-418	-521	-2 451
Research & development expenses	-15 168	-1037	-45 522
Total operating expenses	**-17 323**	**-12 150**	**-52 688**
Operating income	**-17 187**	**-11 871**	**-51 934**
Income from Financial Investments			
Financial net	-299	-115	-433
Income after financial items	-17 486	-11 986	-52 367
Taxation	0	0	0
Net income	**-17 486**	**-11 986**	**-52 367**

Condensed Balance Sheet – Parent company

Condensed Parent Company Balance Sheet

SEK 000´s

The Parent Company Kancera AB

	31 Mar	31 Dec
Assets	2023	2022
Non-current Assets		
Intangible assets		
Capitalized R&D	21 000	21 000
Financial assets		
Shares in subsidiaries	50	50
Financial placements	1	1
Total non-current assets	**21 051**	**21 051**
Current Assets		
Intercompany receivables	1	1
Trade receivables and other rec	7 445	4 342
Cash and cash equivalents	76 083	95 101
Total current assets	**83 529**	**120 494**
TOTAL ASSETS	**104 580**	**122 451**
Equity and Liabilities		
Equity		
Equity	89 416	107 059
total equity	**89 416**	**107 059**
Liabilities		
Short-term liabilities	15 164	13 434
Total liabilities	**15 164**	**13 434**
TOTAL EQUITY and LIABILITIES	**104 580**	**120 494**

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 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 SEK 0 (SEK 60 000) to Mellstedt Consulting AB for services including scientific advice and scientific marketing. Kancera's board has also approved the payment of research funds of SEK 192 988 to the Karolinska Institute as support for research into the Fractalkine axis in cancer with Håkan Mellstedt as representative. Håkan Mellstedt, board member of Kancera AB, is CEO of and owner of Mellstedt Consulting AB. In addition, Kancera AB has not paid compensation to related parties in addition to board fees and outlays for costs.

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

Awarding body	Amount awarded tkr	Amount paid, tkr	Date for reporting
EU TOBEATPAIN[1]	2,900	1,970	Final report under review
Sum	2 637	1 791	

[1] Using EUR exchange rate SEK 11. Granted amount of approximately SEK 2,900 thousand. Paid amount of approximately SEK 1,970 thousand. The remaining amount of the grant, of which approximately SEK 273 thousand is used for administration and education to the coordinating university, will be paid after an approved final report is submitted to the EU for review in July 2022. Kancera is awaiting final approval from the EU.

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 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 costs for contracted development and production. The company has taken this into account in the financial forecast developed for 2023 and 2024 and the company has concluded that it will be possible to execute the business plan as planned with existing funding.

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 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.

Return on equity

Profit for the period as a percentage of average equity. The key figure shows the company's performance and gives an indication of how well equity has been used.

Return on capital employed

The key figure is calculated by dividing the company's operating profit by capital employed. The speech provides information about the company's efficiency and profitability, which in a multi-year review provides information about the company's development over time.

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.

Solidity

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, 19 May 2023

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 audited by the company's auditors.

Upcoming reporting dates and Annual General Meeting

Annual General Meeting 2023	25 May 2023
Interim report January-June 2023	18 August 2023
Interim report January-September 2023	17 November 2023
Year-end report January-December 2023	23 February 2024

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