

Novakand Pharma consolidates forces for the development of orphan drugs against cancer

New Business Plan

Novakand Pharma (Novakand) announced today that its newly appointed Board of Directors is shifting the strategy for the company's drug candidates. Instead of developing them for cardiovascular diseases, the focus will now be directed toward treatment-resistant ovarian cancer and leukemia—conditions that currently lack adequate treatment options. This shift is backed by strong support from the annual general meeting, the new board and results from Novakand's latest phase IIa clinical trial, "Kandova."

These particularly vulnerable patients represent subgroups within ovarian cancer and leukemia that qualify for orphan drug designation¹. Upon future approval of Novakand's drug candidates as orphan drugs, regulatory authorities in both the US and Europe offer an extended exclusive marketing protection for seven and ten years, respectively.

This strategic pivot is backed by strong support from shareholders at the May 2026 Annual General Meeting, as well as from the company's network of cancer doctors (clinical oncologists). The direction is further substantiated by Novakand's published basic research and clinical results. Together, the research and expert assessments highlight a new, untapped opportunity to stabilize or cause advanced-stage cancer to regress. This is achieved by breaking the resistance that cancer cells develop as the disease progresses.

The New Strategy Makes Difference

Novakand's new focus resolves several challenges that previously prevented an effective development of the company's drug candidates. The advantages of this new direction include the potential for extended market protection at lower development costs leading up to a commercially attractive partnership with an internationally established pharmaceutical company.

Scientifically, the strategy relies on the drug candidates rugocrixan and fosrugocrixan (hereafter "rugocrixan") acting as a monotherapy or in combination with established drugs to prevent cancer cells from repairing themselves², thereby forcing them into programmed cell death³. At the cellular level, this effect has been shown to be linked to rugocrixan blocking DNA repair² within the tumor, which enhances the intended effect of platinum-based chemotherapy. Consequently, this future treatment could cause tumor regression, reduce the number of cancer cells in the blood, and put the disease into retreat. Furthermore, results from the company's clinical study "Kandova" show that it is possible to identify which patients are expected to benefit most from rugocrixan. This holds significant value—primarily medically for the patients, but also commercially for the company.

Execution

Step 1: Preparations for Phase II

To ensure time-efficient and thorough preparation before launching the commercially critical Phase II clinical trial in 2028, Novakand is currently focusing on the following areas:

- Determining which patient subgroup benefitting the most from rugocrixan, and which other drugs it should be combined with for maximum efficacy.
- Calculating the treatment's market potential based on health benefits, competition, and the willingness to pay among regulatory authorities and insurance companies.
- Applying for orphan drug designation.
- Designing the clinical trial and assembling a network of medical researchers and hospitals capable of conducting it with the desired pace of patient recruitment.
- Manufacturing the active substance rugocrixan and formulating capsules for the clinical trial.

Step 2: Conducting the Phase IIa Clinical Trial

This involves running the Phase II clinical trial alongside the company's network of specialized clinics, with the goal of achieving the results necessary to build an attractive commercial partnership.

Financing

To meet the timeline of starting the trial in 2028, additional capital is required. This fundraising will take place in two steps: a rights issue early in Q4 2026, and a subsequent share issue in 2027, the structure of which is yet to be determined.

Details regarding the rights issue will be presented in September/October in connection with an Extraordinary General Meeting (EGM). A rights issue means that existing shareholders have preferential rights to purchase the new shares.

"Altogether, Novakand's promising results for rugocrixan have attracted a new Board and an emerging new management team. With great humility and energy, we are taking on the task of transforming promising research into clinical proof that we can actually fight tumors. We look forward to achieving this goal in close collaboration with patient groups, specialist physicians, leading researchers, and our dedicated shareholders—both existing and future ones," says Michael Zell, Chairman of the Board, Novakand Pharma AB.

¹ An orphan drug is a pharmaceutical agent developed specifically to diagnose, prevent, or treat rare diseases. Because the patient base is small, authorities provide financial incentives to develop these highly sought-after drugs, such as attractive pricing and extended market exclusivity, provided that performance requirements are met upon market launch.

² Targeting CX3CR1 Suppresses the Fanconi Anemia DNA Repair Pathway and Synergizes with Platinum, *Cancers* 2021, 13, 144

³ A CX3CR1 (fractalkine receptor) Small Molecular Antagonist (KAND567) Suppressed the Growth Promoting Effect of Monocytes on Chronic Lymphocytic Leukemia Cells, *Blood* (2023) 142 (Supplement 1): 5716.

About Novakand Pharma AB (publ)

Novakand Pharma is a clinical-stage biotechnology company developing a new class of small-molecule drugs with a cancer- and immune-cell-modulating mechanism of action targeting orphan indications. The company is currently not listed on any stock exchange.

For further information:

Visit the company's website at www.novakand.com or contact: ir@novakand.com.

Attachments

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