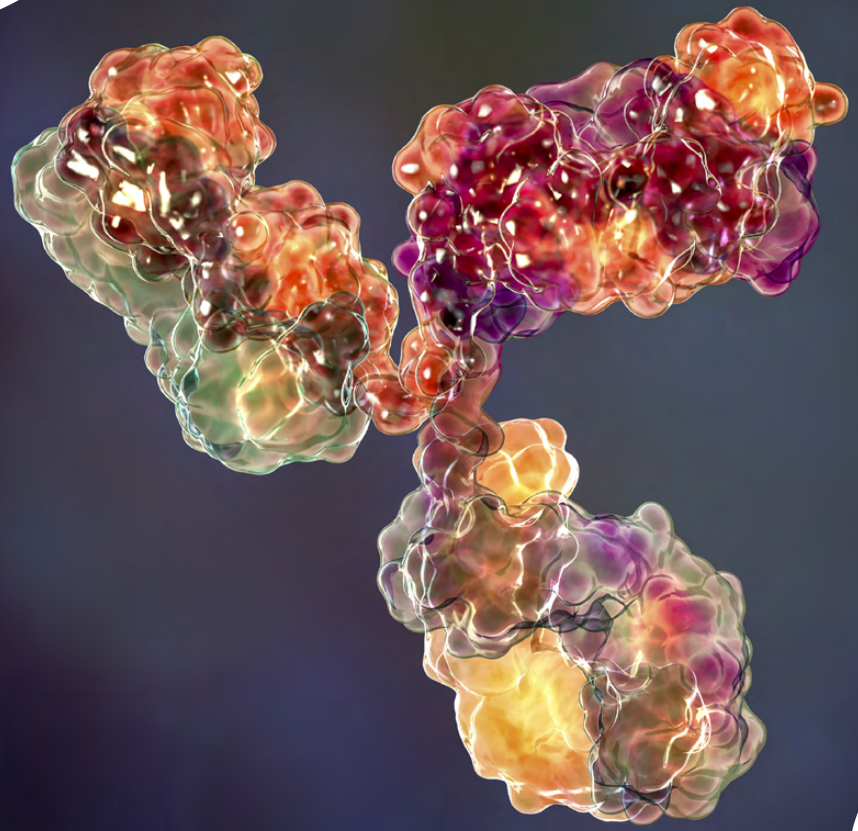
2023

cantargia



Annual Report

Cantargia AB (publ.) 556791-6019

Table of contents

p. 7 Chief executive's review

Cantargia is a Swedish biotech company that develops targeted antibody-based drugs for cancer as well as autoimmune and inflammatory diseases.

Cantargia's drug candidates have the potential to provide strong efficacy with fewer side effects and can serve as a complement to established treatment.

Cantargia in brief

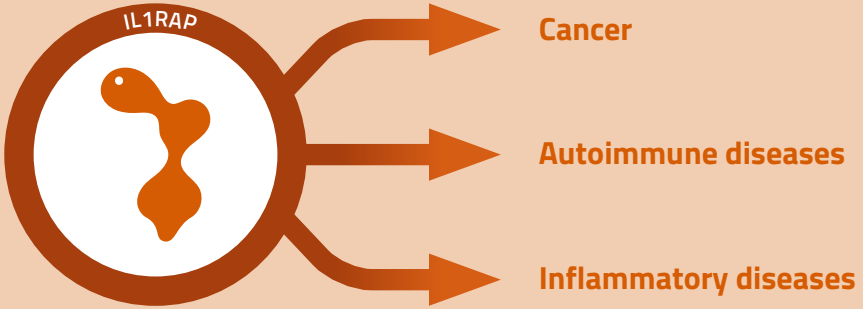
Cantargia was founded in 2009-2010 based on research at Lund University that showed that the molecule IL1RAP is present on cancer cells from a large number of tumor types. IL1RAP is therefore a suitable target for potential cancer therapies. Cantargia's main project nadunolimab (CAN04) is an antibody that can bind IL1RAP and has reached clinical development stage.

The clinical development of nadunolimab focuses on pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer. For these and many other cancers, chemotherapy is an established standard treatment.

Nadunolimab is primarily evaluated in combination with chemotherapy as its mechanism of action enables synergy with other cancer therapies. This is a consequence of IL1RAP affecting various resistance mechanisms these therapies can induce in tumors.

In addition to cancer, IL1RAP has a central role in autoimmune and inflammatory diseases. In parallel with nadunolimab, Cantargia is therefore developing another IL1RAP-binding antibody, CAN10, with a focus on myocarditis and systemic sclerosis. In 2023, the CAN10 project entered the clinical development phase.

One target - Multiple potential treatments



Our vision, business model and strategy

"We contribute to the development of safer and more effective treatments for life-threatening diseases"

Cantargia's vision is to develop a new generation of targeted antibody-based treatments for IL1RAP with the potential to become an important part of future, more effective and safe treatments for life-threatening diseases.

Cantargia's business model is based on partnerships and long-term collaborations. Cantargia has therefore signed agreements with several different companies, hospitals and academic research groups. Currently about 50 international and local organizations are working on research and development of Cantargia's main project nadunolimab, as well as the development of CAN10.

Cantargia's strategy is based on advancing the development of each drug candidate in-house until the stage where a development or commercialization agreement is reached.

2023 – A summary of the year and the next steps

In 2023, additional strong efficacy data for nadunolimab were presented and the CAN10 project entered clinical development phase.

Clinical progress in pancreatic cancer

During the year, new data were presented showing that the strongest effect of treatment with nadunolimab was obsereved in patients with high tumor levels of IL1RAP, the target for nadunolimab. These patients experienced a significantly prolonged overall survivial compared to those with low IL1RAP levels (14.2 vs. 10.6 months, p=0.017). Similar results were also presented for the 17 patients treated with nadunolimab monotherapy. Overall, these signals validate the clinical efficacy of nadunolimab.

During the year, a new development plan was presented in pancreatic cancer (PDAC). A regulatory application for a controlled phase 2b study in combination with gemcitabine and nab-paclitaxel was submitted in the latter half of 2023, and in early 2024, clinical trial approval was granted in the US. The PANFOUR study is planned to include a total of 150 patients, divided into two arms with two doses of nadunolimab plus chemotherapy and a control arm with chemotherapy alone.

Promising data in lung- and triple negative breast cancer

The Phase II part of the TRIFOUR study was initiated during the first quarter of 2023, and promising data from the initial Phase Ib part were presented during the year. For the 15 patients treated in Phase I, a response rate of 60% and a progression-free survival over 6 months were noted. This is twice as high as the expected response rate of approximately 30% and approximately 2 months longer progression-free survivial than historical controls. The Phase II study is progressing as planned, and initial data are expected by the end of 2024.

Many patients with non-small cell lung cancer respond well to treatment, and for two patients (5%), the treatment has been so effective that the tumor has disappeared. Compared to historical controls, this is very promising as fewer than 1% are expected to achieve a complete response with currently available treatments. Cantargia's focus within the segmented market for lung cancer is to further analyze data to understand which patient population could respond best to treatment with nadunolimab. Cantargia currently does not plan for further studies in-house in lung cancer.

Important milestones in the CAN10 project

The GLP-regulated toxicity study was successfully concluded in the first quarter, and regulatory approval to initiate the study was obtained during the summer.

Treatment of healthy individuals in Phase I began during the fall. The primary objective of Phase I is to document safety and pharmacokinetics, but effects on biomarkers will also be measured. In early January 2024, the first clinical results based on the first four dose cohorts were presented. Safety was satisfactory, and furthermore, CAN10 was shown to bind to its target, IL1RAP, on immune cells in the blood. The binding frequency corresponded to the results from a preclinical model, further strengthening the project.

In 2024, Phase I is planned to advance with the treatment of patients with psoriasis, and in 2025, we plan to initiate Phase II in one of our main indications (systemic sclerosis and myocardial inflammation).

> The safety in CAN10 Phase I study after the first four cohorts was satisfactory, and furthermore, it was demonstrated that CAN10 binds to its target IL1RAP, on immune cells in the blood.

Potential development towards ADC combinations

In addition to showing efficacy signals in the treatment of several cancer types, further analyses of the results have provided support for the idea that the antibody could potentially reduce neuropathy, a serious side effect of chemotherapy. In-deph analysis of Cantargia's own clinical data and preclinical experiments in animal models, including with chemotherapy agents used in antibody drug conjugates (ADCs), documents the ability of nadunolimab to reduce neurpoathy. These promising results, which will be presented in more detail at scientific conferences during 2024, highlight the potential for future expansion of nadunolimab development into combinations with ADCs, one of the hottest areas in new cancer therapies.

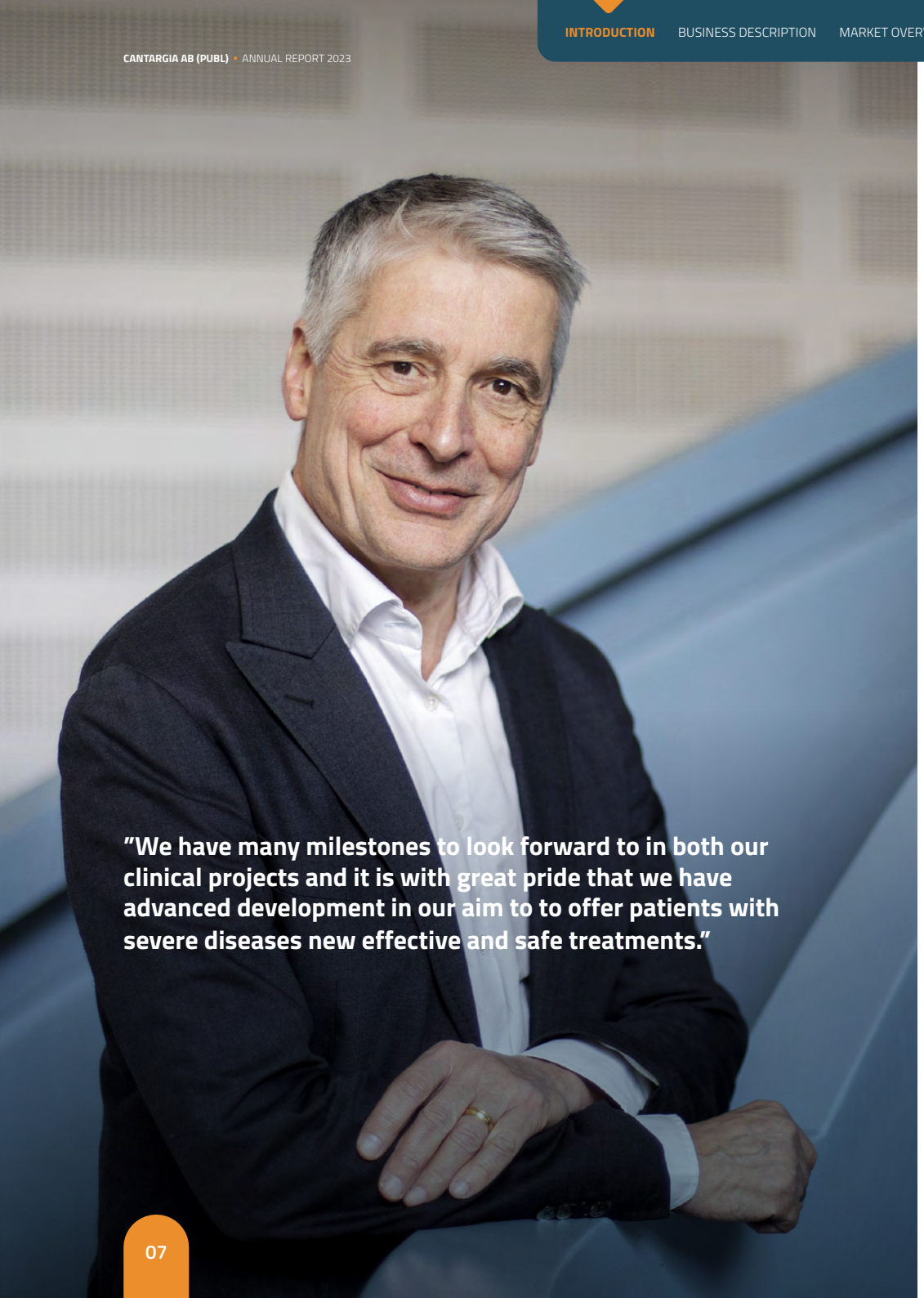
Strong patent protection

Cantargia's projects have very strong patent protection. In addition to product specific patents, we also have several patents that provide broader protection against competitive IL1RAP reactive antibodies. During the year, an opposition process was conducted against one of Cantargia's patent for nadunolimab (EP3293202), which covers IL1RAP-binding antibodies with specific functional properties. After the European Patent Office (EPO) decided to uphold the patent, a third party initially filed an appeal against the decision. However, the appeal was later withdrawn.

Activity focus led to reduced costs

The focusing of the clinical program for nadunolimab, as presented in 2022, resulted in significantly lower costs during 2023. Cantargia's research and development expenses decreased by 25% from 365 MSEK in 2022 to 273 MSEK in 2023. The total operating costs decreased by 92 MSEK to 290 MSEK. With a positive financial result of 10 MSEK, the year ended with a loss of 280 MSEK.

In a very challenging financial market, a directed new share issue of approximately 60 MSEK before deduction of transaction expenses, was conducted during the fourth quarter. This crucial financing enabled Cantargia to continue its activities vigorously and remain funded into 2025. The issuance was supported by both existing institutional major shareholders and new institutional investors.



"We have many milestones to look forward to in both our clinical projects and it is with great pride that we have advanced development in our aim to to offer patients with severe diseases new effective and safe treatments."

Chief executive's review

Cantargia made significant progress during 2023, despite the macroeconomic challenges in our global environment. Cantargia aims to be a world leader in the development of drugs targeting IL1RAP and despite increasing competition, we are leading the way. As we generate more results in both of our clinical projects, we get a clearer picture of where the best opportunities lie. Through the progress in the CAN10 project and with an external validation of its mechanism of action, we have created another leg to stand on in addition to our project in oncology with the antibody nadunolimab. The platform Cantargia builds its operations on offers significant opportunities for further expansion and growth. This provides increased opportunities and stability that reduces development risks and increases the conditions for us to achieve partnerships and sales, followed by stable revenues.

In 2023, we presented a lot of new data with nadunolimab in oncology. For a long time, we have seen pancreatic cancer as a major development opportunity based on our biological knowledge of the disease, as well as the high unmet medical need and relatively limited competition. During the year, we were able to present new results that strengthen our view that nadunolimab may be an important future tool for the treatment of pancreatic cancer. When we measured the amount of IL1RAP (the target of nadunolimab) in the tumor of the patients treated, we observed that the patients with the highest levels also had the best treatment outcome, despite having a worse prognosis. Thus, the higher the levels of IL1RAP, the more nadunolimab can attack the tumor and slow tumor growth. To increase the likelihood of success, we are therefore building in the future possibility of focusing on these patients by being able to analyze the expression of IL1RAP on the tumor.

In addition to pancreatic cancer, we have also seen clear signals of activity in the treatment of patients with non-small cell lung cancer (NSCLC) and triple-negative breast cancer (TNBC). In lung cancer, we presented new results at the annual ASCO conference in Chicago. The results generated great interest, not least because we were able to present that two patients got rid of their tumor (complete response), when they received treatment containing nadunolimab. These patients had previously been treated with immunotherapy but the tumor had progressed. Overall, many of the patients in the study have done very well, but there is fierce competition in lung cancer and therefore the plan is to use a biomarker strategy to identify the

patient group that responds best. The studies are ongoing and we plan to communicate these results later this year.

We also presented the first results with nadunolimab in TNBC. These are based on a small group of 15 patients and follow what we have seen in the treatment of pancreatic cancer and lung cancer. TNBC is the most difficult-to-treat form of breast cancer and a success here would be of great medical value. It is therefore very interesting that we are conducting our first study with a control group that only receives chemotherapy in TNBC within the TRIFOUR study.

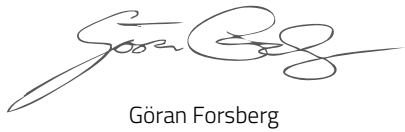
In addition to solid tumors, nadunolimab also has great potential for the treatment of various forms of leukemia. The first results generated around IL1RAP as a target for cancer treatment were produced in leukemia. It was therefore very gratifying that a prestigious grant from the U.S. Department of Defense was awarded to researchers at one of the world's leading cancer centers, MD Anderson Cancer Center in Houston, to conduct the first study of nadunolimab in leukemia. We are planning for the first patients to start treatment this summer.

In 2023, the first clinical study with CAN10 started, which means that we now have two projects in clinical development. CAN10 is being developed for use in immunological and inflammatory diseases. This is an area that has previously been globally neglected, but which has come into focus for many stakeholders over the past year, not least due to the increasing understanding of how the immune system affects these diseases, while the economic potential is significant. A term that is used and that is very much applicable to CAN10 is "pipeline in a drug". This means that there is a very good opportunity to further develop the use of the same drug for more diseases after an initial success in one disease. Many autoimmune and inflammatory diseases are influenced by similar disease-driving mechanisms. CAN10 recently gained extra traction when an antibody targeting IL-1 alfa and IL-1 beta, lutikizumab, showed promising efficacy in a phase II study in the inflammatory skin disease hidradenitis suppurativa. CAN10 has a broader mechanism of action than lutikizumab by also blocking IL-33 and IL-36.

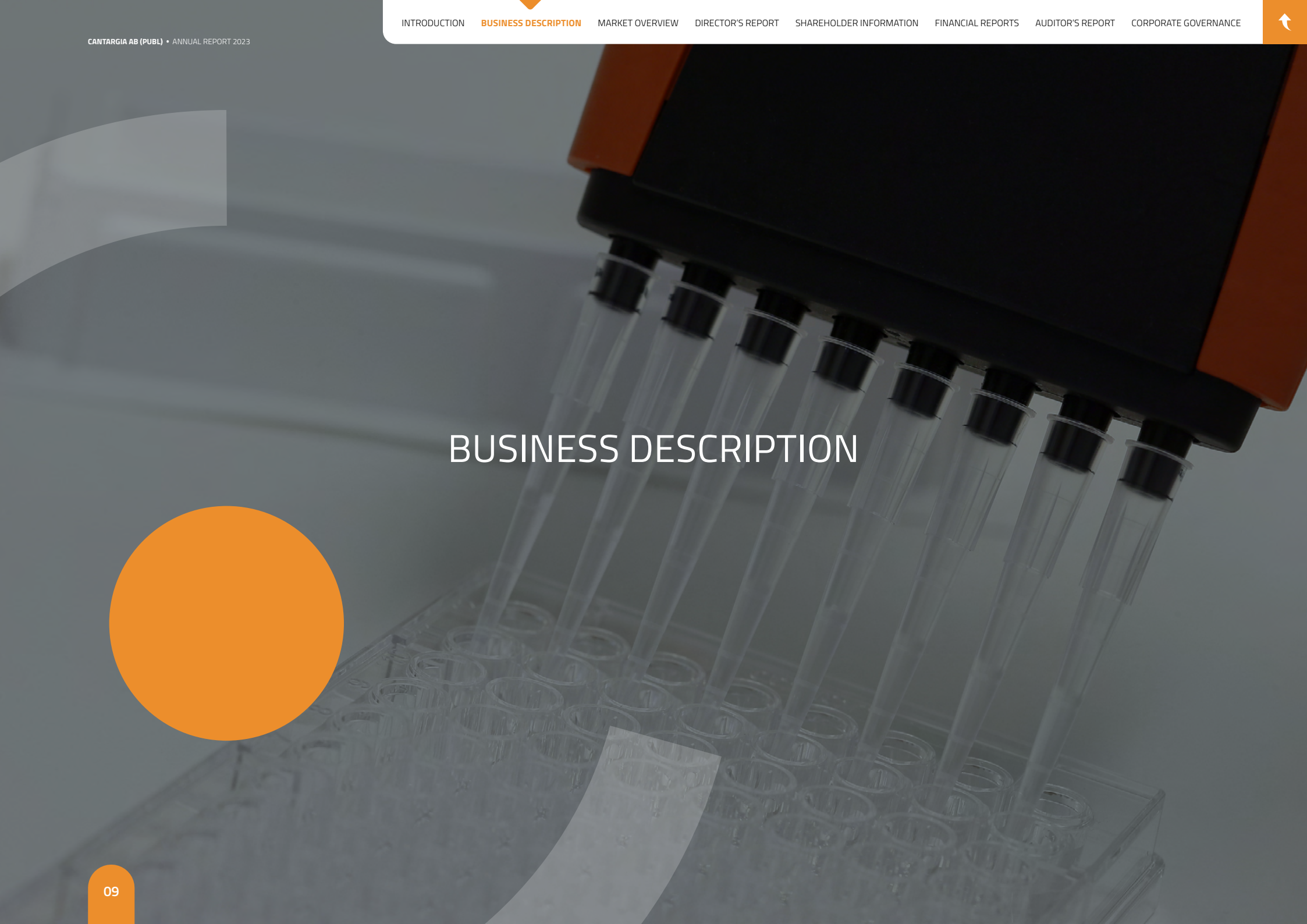
Currently, the final phase of the first part of the Phase I study in healthy volunteers is underway and the first clinical results presented in early 2024 demonstrated good safety and the ability of CAN10 to reach its target IL1RAP on immune cells. During Q3, the study is planned to take the next step into patients with psoriasis, which gives us the opportunity to study how CAN10 affects biomarkers in skin biopsies. Our hope is that it will provide both compelling proof that CAN10 works mechanistically and provide valuable information for the phase II study, which is planned to start in 2025. The final decision regarding which disease we will first investigate in phase II will be made later in the year after further discussions with external experts in the field. Our main indications are systemic sclerosis and myocarditis, two diseases where we have seen strong effects of CAN10 in different disease models. At the same time, we know that these are just two of many possibilities and we still have room to give the phase II study the best chance of success.

Another important aspect of drug development concerns patents. Cantargia has built up a strong portfolio around its projects, and also with a breadth that other players have chosen to challenge. When an examination of a patent application is completed, but before a European patent is formally approved, there is the possibility of filing an opposition. Since Cantargia is located in a hot area, such processes are not entirely unexpected. Also in 2023, there was an opposition to one of Cantargia's broad patents, but the European Patent Office decided to follow Cantargia's line and approve the patent. At present, Cantargia has approved patents on the antibodies in both clinical projects, on variants of these and, in addition, more generally on the treatment of cancer with antibodies directed against IL1RAP.

In summary, great progress was made in 2023 and the beginning of 2024 has also offered a continued interesting news flow. It is of course our ambition that the rest of 2024 will continue in the same way. We have many milestones to look forward to in both our clinical projects and it is with great pride that we have advanced development in our aim to to offer patients with severe diseases new effective and safe treatments. I sincerely hope that the macroeconomic situation will change in a way that stimulates investments in drug development, which is capital-intensive and long-term. Finally, I would like to extend a big thank you to Cantargia's shareholders for your trust, to patients and their families for your valuable contribution to our research, to Cantargia's employees who, with creativity and expertise, are advancing our projects, and finally to our many commercial and academic partners who contribute with their specialist knowledge in the many different areas needed in drug development.



Göran Forsberg
Lund, April 2024



BUSINESS DESCRIPTION

Background to Cantargia's projects

Modern drug development is based on identifying unique molecules against which new potential drug substances can be targeted. Cantargia's research has shown that IL1RAP is a promising target for treatment of cancer as well as autoimmune and inflammatory diseases.

Nadunolimab (CAN04)

Cantargia's main project, nadunolimab, is an IL1RAP-binding antibody that has shown promising clinical and preclinical results in the treatment of various types of cancer.

In addition to locating cancer cells and stimulating our natural immune system to kill these cells, nadunolimab can also block signals that favor the development and growth of the tumor. In a large number of cancer types, tumor growth is promoted by the interleukin-1 system, which contributes to an environment favorable for tumors. The interleukin-1 system is dependent on IL1RAP for transferring signals to cells, and blocking IL1RAP with nadunolimab prevents this signaling.

The clinical development of nadunolimab focuses primarily on pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer. In recent years, positive interim results have been presented from patients treated with a combination of nadunolimab and chemotherapy that indicates a higher efficacy than expected with chemotherapy alone.

In parallel with the clinical development, studies are also being conducted on different types of biomarkers to obtain more information regarding which patients respond best to treatment and how nadunolimab can be combined with additional established cancer therapies for optimal effect.

CAN10

In the CAN10 project, Cantargia is developing a new antibody against IL1RAP that has a unique ability to prevent signaling not only via interleukin-1, but also interleukin-33 and interleukin-36. Blocking of these three signaling molecules has great potential in the treatment of autoimmune and inflammatory diseases.

The first clinical study with CAN10 is currently ongoing, and earlier this year, Cantargia reported that no safety concerns had been observed at the initial dose levels.

CANxx

In the CANxx project, Cantargia is expanding its knowledge of IL1RAP and develops new antibodies that complement nadunolimab and CAN10. The goal is to identify new antibody-based IL1RAP-targeting drugs with properties that differ from those of nadunolimab and CAN10 and are thus specifically designed for the treatment of new diseases.

Project	Disease	Type of treatment	Discovery phase	Preclinical phase	Clinical phase I	Clinical phase II	Clinical phase III
Nadunolimab	PDAC	1st line	Gemcitabin/nab-paclitaxel				
	TNBC	1st/2nd line	Carboplatin/gemcitabin				
	NSCLS/non-squamous NSCLC	1st/2nd line	Platinum doublets				
CAN10	Myocarditis, Systemic sclerosis						
CANxx	New opportunities within IL1RAP platform						

PDAC - pancreatic cancer; **TNBC** - triple-negative breast cancer; **NSCLC** - non-small cell lung cancer

Nadunolimab
– Cantargia's project in oncology

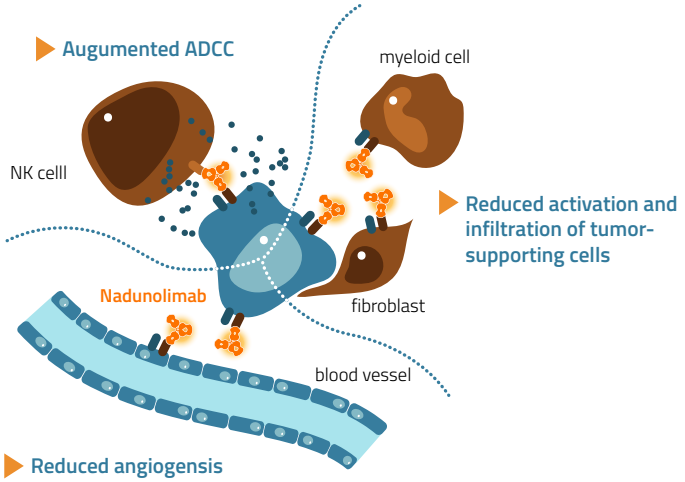
Cantargia has performed extensive research on IL1RAP and results have shown that this molecule is present on tumor cells from a large number of tumors. Antibodies targeting IL1RAP thus have the potential to treat several different types of cancer.

Nadunolimab's dual mechanism of action

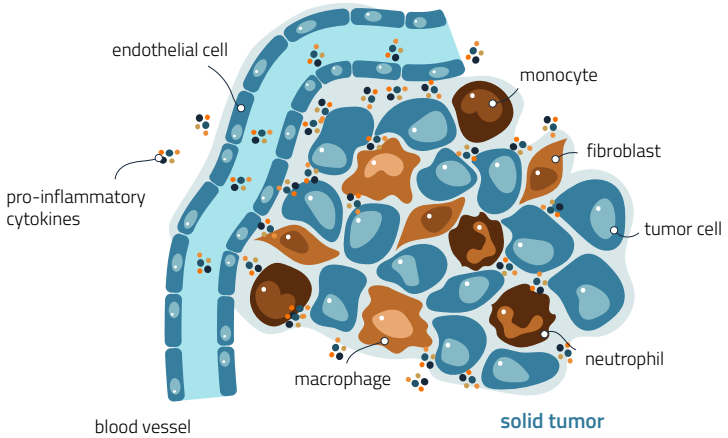
Nadunolimab is unique in that it has a dual mechanism of action. Nadunolimab can effectively kill cancer cells as well as block signals that favor the development and growth of the tumor.

In the human body, nadunolimab acts as a guided missile that seeks out and binds its target IL1RAP, which is highly present on cancer cells. By binding IL1RAP, nadunolimab stimulates the body's killer cells, known as natural killer (NK) cells, to seek out and eradicate the cancer cells. Nadunolimab has also been optimized to possess an improved ability to stimulate these killer cells.

IL1RAP is present not only on cancer cells, but also on other cell types in the tumor that contribute to its growth. IL1RAP conveys signals between these cells from the two forms of the molecule interleukin-1, alpha and beta, that provide support to the tumor in its development and survival. These signals can, for example, strengthen the tumor's defenses against various immune cells capable of killing the tumor, but also stimulate blood vessel formation in the tumor. Nadunolimab blocks the signaling of both interleukin-1 alpha and beta and can thus impact the development and growth of the tumor.



Nadunolimab stimulates NK cells to kill cancer cells, an effect known as ADCC, and blocks signals that promote tumor development and survival. This signal blockade leads to, for example, reduced blood vessel formation and reduced accumulation of immunosuppressive cells in the tumor.

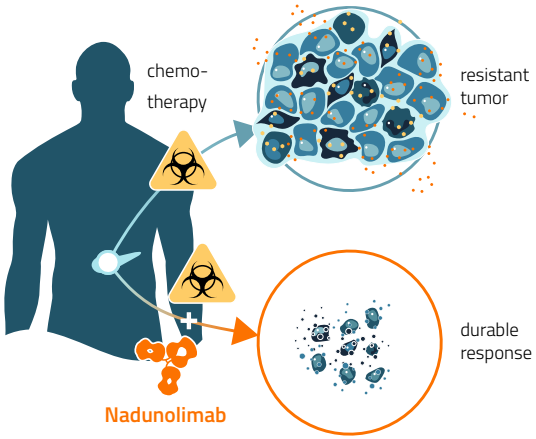


A tumor consists of cancer cells and a variety of tumor-stimulating cells that communicate with each other via different signaling molecules, so-called cytokines, including interleukin-1.

Nadunolimab synergizes with chemotherapy

Another important function of nadunolimab is its ability to enhance the effect of chemotherapy drugs which are established standard treatments in a number of cancers.

Cantargia has in preclinical studies shown that nadunolimab has a potent antitumor effect in combination with chemotherapy. When nadunolimab was combined with platinum-based chemotherapy, antitumor effects were achieved that were much stronger than the effect of the individual treatments. Preliminary clinical data point to similar effects in cancer patients.



Nadunolimab has the potential to enhance the effect of chemotherapy, which are established standard treatments for different types of cancer.

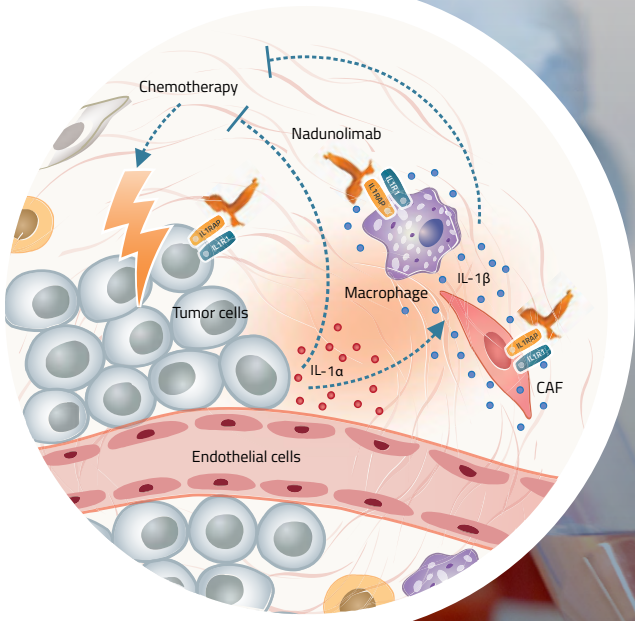
Previous research as well as Cantargia's own studies have shown that treating cancer cells with chemotherapy triggers them to release the alpha form of interleukin-1. This in turn stimulates the release of the beta form of interleukin-1 from surrounding cells in the tumor. The presence of both alpha and beta forms of interleukin-1 in the tumor contributes to development of chemotherapy resistance. Since nadunolimab blocks signaling of both forms of interleukin-1, it is very well-suited for combination with chemotherapy.

When nadunolimab was combined with the chemotherapy docetaxel in preclinical studies, a stronger antitumor effect was achieved compared to docetaxel alone, or docetaxel in combination with an antibody that only blocks the beta form of interleukin-1. This shows that nadunolimab's interaction with IL1RAP produces a broader effect on the interleukin-1 system compared to blockade of only one form of interleukin-1, and is necessary to counteract the tumor's resistance to chemotherapy.

Nadunolimab excels against other concepts for blocking the interleukin-1 system

Various types of treatments based on blockade of the interleukin-1 system are currently being investigated in clinical trials. These treatments are either developed to block signaling of the alpha or beta form of interleukin-1 alone, or completely lack the ability to stimulate killer cells to eradicate cancer cells.

Cantargia's nadunolimab stands out from these by being the only treatment targeting IL1RAP. The major advantage of this is that nadunolimab thereby has a broader mechanism of action that is likely to contribute to a stronger antitumor effect and synergy with chemotherapy.

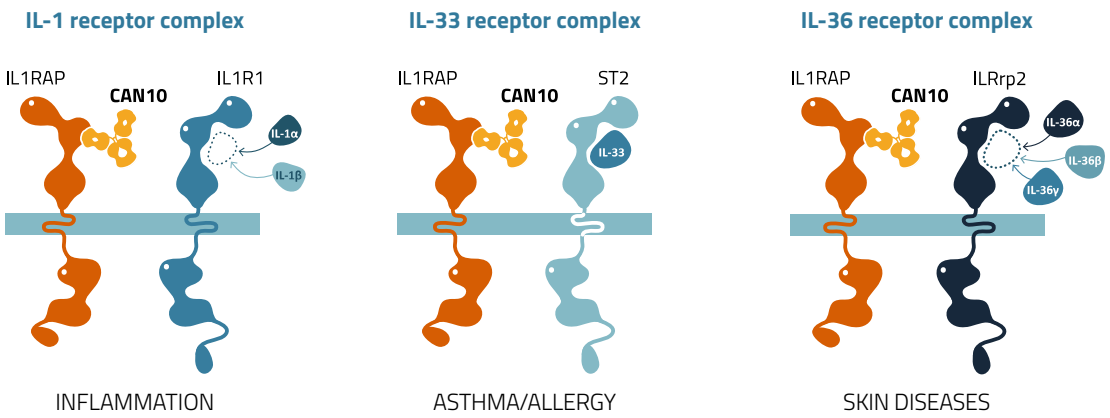


Chemotherapy triggers the release of interleukin-1 alpha in the tumor, which in turn stimulates the release of interleukin-1 beta. These molecules contribute to the tumor's resistance to chemotherapy. Nadunolimab blocks signaling of both forms of interleukin-1 and can thus break this chemoresistance.

CAN10
– Cantargia's project in autoimmunity and inflammation

The CAN10 project was initiated with the goal of developing an anti-IL1RAP antibody for the treatment of autoimmune or inflammatory diseases. CAN10 thus covers a disease segment that complements nadunolimab and diversifies Cantargia's project portfolio.

IL1RAP conveys signals from the molecule interleukin-1, but also interleukin-33 and interleukin-36. These three signaling molecules are pro-inflammatory and play a central role in several severe diseases. Cantargia has developed the antibody CAN10 which, by binding IL1RAP, can block all these signaling pathways simultaneously without inducing cell death.



In the CAN10 project, an antibody is being developed that blocks interleukin-1, -33 and -36, all of which are proinflammatory molecules.

With these characteristics, CAN10 has the potential to be a potent anti-inflammatory treatment for several diseases where single drug therapy is not entirely effective. The pathways blocked by CAN10 have been described to be involved in diseases in barrier tissues such as skin, lungs, and intestines, as well as in cardiovascular pathology, indicating significant potential for CAN10 in multiple diseases. Following an extensive review of potential target diseases, Cantargia decided to initially focus on the development of CAN10 for the treatment of myocarditis and systemic sclerosis, two serious diseases with high medical need where IL1RAP blockade with CAN10 may offer significant benefits.

Promising preclinical data

Myocarditis is a life-threatening disease characterized by impaired heart function. The disease can be caused by autoimmunity, but even more commonly by viral infections, and the incidence of this disease has increased during the COVID-19 pandemic. Cantargia has shown that a surrogate antibody for CAN10 reduces the disease burden in models of both autoimmune and viral myocarditis. This effect was stronger compared to blockade of interleukin-1 signaling alone.

Systemic sclerosis is a serious disease that leads to fibrosis of the skin and internal organs. Strong effects have also been demonstrated in three different models of systemic sclerosis where the surrogate antibody for CAN10 reduced skin and pulmonary fibrosis and normalized the levels of several disease-related biomarkers in skin biopsies.

In addition to disease models for the initial target indications, the CAN10 surrogate antibody has also shown potent effects in models of peritonitis, psoriasis, and atherosclerosis, demonstrating the potential for IL1RAP blockade as a treatment for a wide range of diseases.

The start of the first clinical study

The first clinical study with CAN10 is currently ongoing, and the first participant was dosed with CAN10 in September 2023. The primary objective of the phase I study is to investigate the safety and tolerability of CAN10, while additional objectives include pharmacokinetics and effects on various immunological or disease-related biomarkers. Initially, escalating doses will be administered intravenously to up to 64 healthy volunteers. The subsequent part of the study is designed to also generate an early proof of concept in up to 16 participants with mild to moderate psoriasis, who will receive multiple injections of CAN10 subcutaneously at two dose levels. Indications of clinically relevant effects on biomarkers will also be evaluated throughout the study. Further details are available on clinicaltrials.gov (NCT06143371).

In January 2024, Cantargia reported that the study is progressing according to plan, with the first four dose groups completed without any safety concerns. Additionally, a receptor occupancy study indicates that even at initial dose levels, the majority of IL1RAP molecules on immune cells bind to CAN10 in a dose-dependent manner. This is consistent with results from preclinical studies. Furthermore, biomarker samples taken during the study are currently being analyzed to document the blockade of IL-1 and IL-36 stimulation of immune cells.

CANxx
- Cantargia's IL1RAP-based platform

CANxx is a technology platform and an antibody library that leverages Cantargia's extensive knowledge and resources regarding IL1RAP as a target for various types of drugs and treatment strategies. Within Cantargia's large antibody library, there are candidates for the development of new drugs as well as antibodies developed for diagnostics, in vitro analysis, and preclinical inquiries. CANxx is thus a valuable resource for both our active clinical programs and a source of new therapeutic antibodies, solidifying Cantargia's strong position for the future.

Cantargia was the first to develop drugs targeting IL1RAP and has built a knowledge, technology, and antibody platform, CANxx, in the field. Within this innovation platform, Cantargia has so far developed over 200 unique antibodies that bind to IL1RAP and have different properties. The antibodies within CANxx form the basis for active strategic development of new therapeutic antibodies and concepts with optimized efficacy and tailored solutions for specific medical needs. CANxx is also a valuable source of antibodies that are continuously integrated with the latest technologies and methods in research technology for use in analytical and diagnostic methods and analyses.

Clinical Strategy

Cantargia's objective for nadunolimab is to confirm the promising phase I/II results in randomized trials, and the goal for CAN10 is to further advance the project in the clinical phase. This progress will broaden the company's activities, but will also provide an opportunity to focus on diseases with the best potential for success, based on clinical results.

During 2022, the clinical development of nadunolimab focused on randomized studies, and the first controlled trial, TRIFOUR, began recruiting patients with triple-negative breast cancer in early 2023. Cantargia also plans recruitment for a controlled phase IIb study in metastatic pancreatic cancer (PANFOUR). The study will investigate nadunolimab in combination with chemotherapy (gemcitabine/nab-paclitaxel), a standard treatment for this disease. Two different dose levels of nadunolimab will be examined, and the study will include a control arm receiving only chemotherapy. An additional aim of this study is to build on promising results showing that pancreatic cancer patients with high levels of IL1RAP on tumor cells respond best to treatment with nadunolimab and chemotherapy. In the short term, this observation reinforces earlier signs of clinical efficacy of nadunolimab, but in the longer term, it also provides an opportunity to select patients who are most likely to respond to treatment. Each arm will consist of approximately 50 patients, totaling 150 patients in the study, with a results analysis after approximately 60 patients. The study has received regulatory approval in the US and is scheduled to commence in 2024.

The CAN10 project initiated the first clinical phase I study in healthy volunteers in mid-2023. Initially, the study involves single doses to evaluate safety and pharmacokinetics, but also analyses of immunological biomarkers will be conducted. The subsequent part of the study will focus on multiple dosing and is planned to be conducted in patients with psoriasis to obtain initial indications of disease-related biomarkers. The goal is then to initiate phase II studies in myocarditis or systemic sclerosis as soon as possible after completion of the phase I study. However, the possibilities for IL1RAP blockade are vast, and Cantargia is therefore simultaneously exploring the opportunities to broaden the indications for CAN10.

Cantargia's clinical program

The clinical development of nadunolimab has made significant progress, particularly in pancreatic cancer, triple-negative breast cancer, and non-small cell lung cancer, where promising safety and efficacy data have been reported for combination therapy with chemotherapy. Cantargia is now shifting its focus to randomized studies.

CANFOUR

Cantargia's first clinical study, CANFOUR, is a phase I/IIa trial focusing on pancreatic cancer and non-small cell lung cancer. In the phase I part, the primary evaluation focused on the safety and dosage of nadunolimab. The results were highly encouraging, indicating good safety and effects on key biomarkers.

Based on the positive outcome in phase I, CANFOUR progressed to the phase IIa part, which evaluates nadunolimab in combination with chemotherapy. In this phase, nadunolimab is combined with gemcitabine and nab-paclitaxel in first-line treatment of pancreatic cancer, or with cisplatin and gemcitabine in first- or second-line treatment of non-small cell lung cancer. Positive interim results from the phase IIa part show clear signals of efficacy for both combination therapies as stronger effects are observed compared to what is expected for chemotherapy alone.

In a total of 73 patients with pancreatic cancer, median progression-free survival of 7.2 months and median overall survival of 13.2 months were reported. This is an improvement over historical control data for gemcitabine and nab-paclitaxel alone, which show median progression-free survival of 5.5 months and median overall survival of 8.5 months[1]. Even stronger efficacy was observed in patients with high tumor levels of IL1RAP, the target of nadunolimab, including significantly prolonged median overall survival compared to patients with low IL1RAP levels (14.2 vs 10.6 months; p=0.026).

In 30 patients with non-small cell lung cancer, a 53 per cent response rate was achieved resulting in median progression-free survival of 7.0 months. This is an improvement over historical controls, which show a 22-28 per cent response rate and median progression-free survival of 5.1 months[2,3]. Moreover, an even higher response was achieved in a subgroup of patients with non-squamous non-small cell lung cancer.

To date, over one hundred patients have been treated in the phase IIa stage of CANFOUR. Enrollment to this trial was ended in April 2023, following treatment of ten additional non-squamous non-small cell lung cancer patients with nadunolimab and the chemotherapies carboplatin and pemetrexed. Continued development in non-small cell lung cancer will further focus on patient subgroups by implementation of a biomarker strategy to identify best responders.

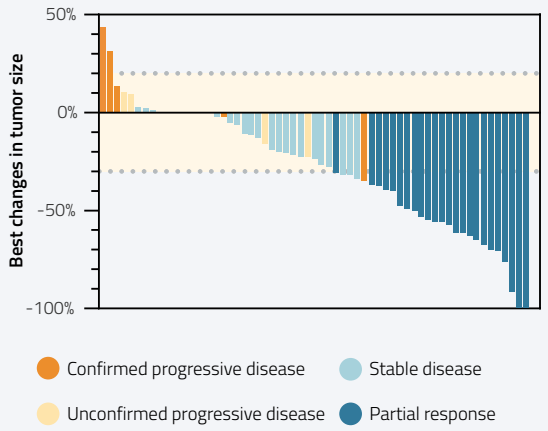
Additionally, the next step in the late-stage clinical development phase for pancreatic cancer is being prepared, where regulatory approval has been granted in the US to begin recruiting patients for a controlled phase IIb study. The study will investigate nadunolimab as combination therapy in first-line treatment for metastatic pancreatic cancer and is scheduled to commence in 2024.

Effects of nadunolimab and chemotherapy in CANFOUR

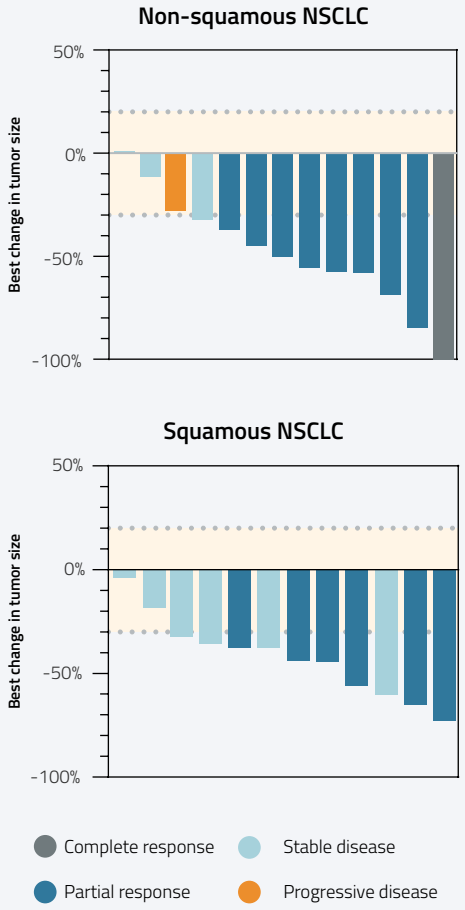
53%
Response rate of patients with **non-small cell lung cancer**

13.2 months
Median survival of patients with **pancreatic cancer**

Nadunolimab in combination with chemotherapy shows promising responses in pancreatic cancer patients.



1. Van Hoff et al, N Engl J Med 2013
2. Schiller et al, N Engl J Med 2002
3. Scagliotti et al, J Clin Oncol 2008



In non-small cell lung cancer (NSCLC), high responses were observed particularly in patients with the nonsquamous subtype.

CIRIFOUR, CAPAFOUR AND CESTAFOUR

Nadunolimab has been evaluated in three additional clinical studies, CIRIFOUR, CAPAFOUR, and CESTAFOUR, where patient recruitment was completed in October 2022.

In the phase Ib study CIRIFOUR, nadunolimab is evaluated in combination with the checkpoint inhibitor pembrolizumab (Keytruda®), with the main objective focusing on safety. A total of 16 patients with non-small cell lung cancer, head and neck cancer, or malignant melanoma have been treated. These patients progressed during treatment with pembrolizumab and then continued treatment with pembrolizumab in combination with nadunolimab. Interim results show that nadunolimab in combination with pembrolizumab is well tolerated, and disease control for at least 30 weeks (up to 58 weeks) is achieved in 6 out of 15 evaluated patients, including a partial response. In the phase Ib study CAPAFOUR, patients with pancreatic cancer are treated with nadunolimab in combination with the chemotherapy regimen FOLFIRINOX, and in the phase I/II study CESTAFOUR, nadunolimab in combination with chemotherapy is evaluated for the treatment of three types of solid cancer forms. Preliminary results showed an acceptable safety profile for the combinations and signs of efficacy in patients with non-small cell lung cancer treated with nadunolimab and cisplatin/gemcitabine in CESTAFOUR, consistent with the observations in CANFOUR. Final safety and efficacy data from the three studies are expected to be available in the first half of 2024.

TRIFOUR

In the phase Ib/II clinical study TRIFOUR, patients with triple-negative breast cancer are treated with nadunolimab in combination with the chemotherapy agents carboplatin/gemcitabine. Results from the phase I part showed promising safety and efficacy, with a response rate of 60% and a median progression-free survival of 6.6 months in the 15 included patients, significantly higher than historical control data[4]. The study transitioned to the randomized phase II part in early 2023. A top-line analysis for the entire study is planned after full recruitment and is expected by the end of 2024 or early 2025.

Myelodysplastic syndrome and acute myeloid leukemia

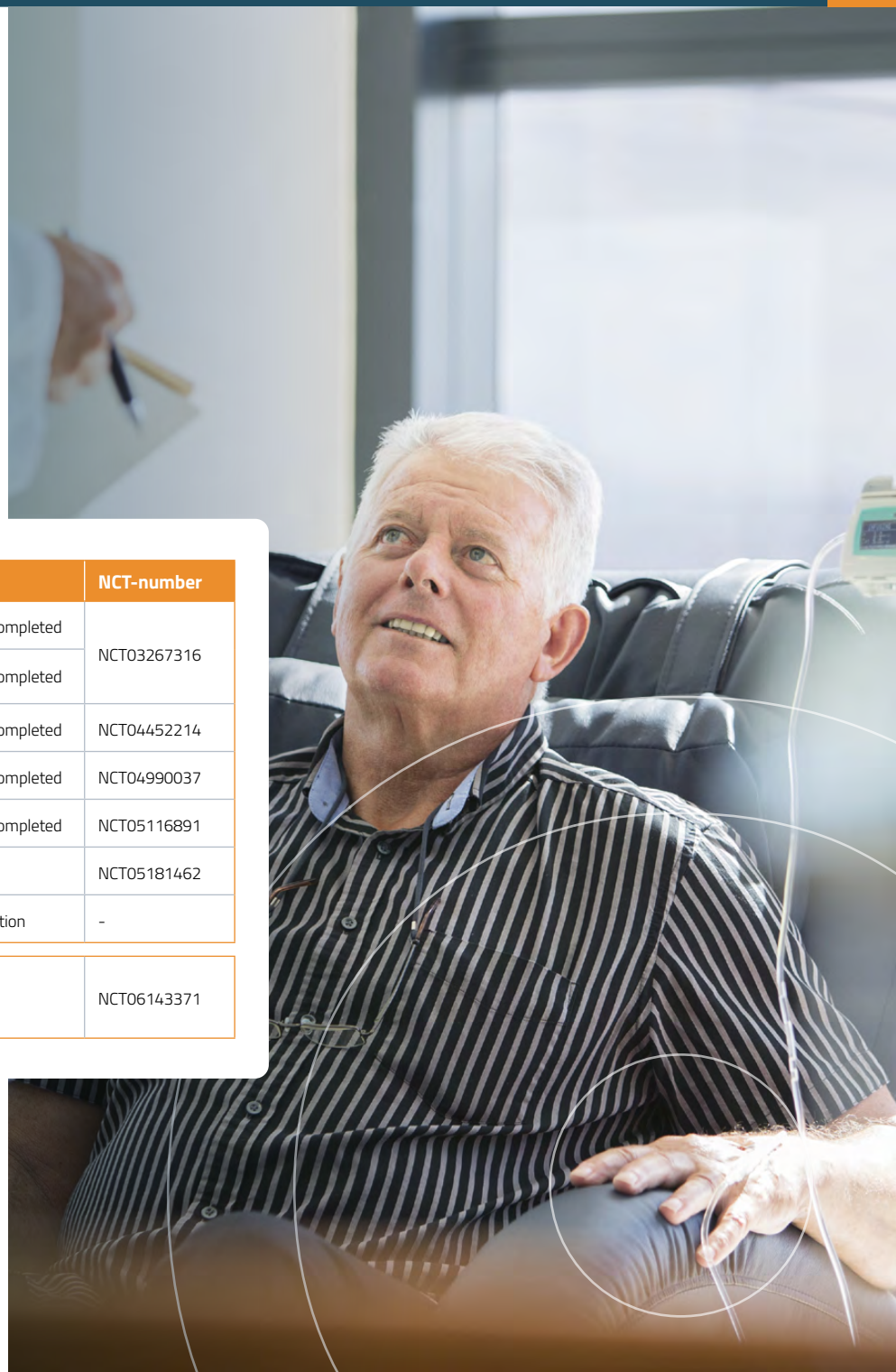
A phase Ib/IIa clinical study is planned to evaluate nadunolimab in patients with myelodysplastic syndrome (MDS) or acute myeloid leukemia (AML). The study will evaluate nadunolimab, either alone or in combination with the chemotherapy drug azacitidine, in patients with intermediate- or high-risk MDS. Nadunolimab will also be investigated with azacitidine and venetoclax, a targeted therapy, in patients with relapsed/refractory AML. The primary objective of this investigator-initiated study is to evaluate the safety of different dose levels of nadunolimab; secondary objectives include early efficacy and biomarker analysis. The study may include up to a total of 40 patients and is funded by a grant of $1.1 million USD from the United States Department of Defense.

CAN10

A phase I clinical study was initiated in September 2023 to investigate the safety, pharmacokinetics, and biomarkers of CAN10 in healthy volunteers and psoriasis patients. Initially, escalating single doses are being studied intravenously in up to 64 healthy volunteers. A subsequent part of the study is conducted in up to 16 patients with mild to moderate psoriasis who will receive repeated treatments of CAN10 subcutaneously at two dose levels, with the aim of demonstrating early proof-of-concept. The study is progressing as planned, with the four initial dose groups completed in early 2024 without any safety issues. Additionally, the results from the four first cohorts demonstrated that CAN10 binds to its target protein, IL1RAP, on immune cells from the subjects in a dose-dependent manner, consistent with calculations from preclinical studies.

4. O'Shaughnessy et al, J Clin Oncol 2014

The antibody CAN10 strongly binds to IL1RAP and blocks the function of the signaling molecules IL-1, IL-33, and IL-36, all of which play a crucial role in several autoimmune and inflammatory diseases. CAN10 has previously shown promising effects in numerous models of these types of diseases, including the main indications of systemic sclerosis and myocarditis. Clear effects have also been observed in preclinical models of psoriasis, forming the basis for studies of CAN10 in psoriasis patients in the ongoing phase I trial. Subsequent studies may focus on patients with systemic sclerosis or myocarditis, but several indications are being considered.



	Study	Disease	Combination therapy	Nr of patients	Status	NCT-number
Nadunolimab	CANFOUR	PDAC	Gemcitabin/nab-paclitaxel	76	Recruitment completed	NCT03267316
		NSCLC/non-squamous NSCLC	Platinum doublets	33 + 10	Recruitment completed	
	CIRIFOUR	Solid tumors	Pembrolizumab	16	Recruitment completed	NCT04452214
	CAPAFOUR	PDAC	FOLFIRINOX	18	Recruitment completed	NCT04990037
	CESTAFOUR	Solid tumors	Docetaxel, cisplatin/gemcitabin or FOLFOX	36	Recruitment completed	NCT05116891
	TRIFOUR	TNBC	Carboplatin/gemcitabin	Up to 117	Recruiting	NCT05181462
	PANFOUR	PDAC	Gemcitabin/nab-paclitaxel	Up to 150-200	Under preparation	-
Can10	Phase I study	Healthy volunteers/psoriasis	-	64+16	Recruiting	NCT06143371

PDAC - pancreatic cancer; **TNBC** - tripple-negative cancer; **NSCLC** - non-small cell lung cancer

SYSTEMIC SCLEROSIS

– An interview with Prof. Dr. Jörg Distler

Cantargia initiated its first clinical study with its asset CAN10 in September 2023. CAN10 blocks signaling of three inflammatory pathways, IL-1, IL-33 and IL-36, without inducing cell killing, making CAN10 optimally designed for treatment of several inflammatory and autoimmune diseases.

One of the initial target indications for CAN10 is systemic sclerosis, or scleroderma, a disease with a large need for new treatment options where CAN10 recently received orphan drug designation by the US food and drug administration (FDA).

Systemic sclerosis is a complex systemic autoimmune disease resulting in fibrosis of the skin and internal organs. Cantargia has shown that IL1RAP and the IL1RAP-dependent pathways are overexpressed in skin from patients with systemic sclerosis and demonstrated strong beneficial effects of IL1RAP blockade in multiple disease models of systemic sclerosis. IL1RAP-blockade also normalized the expression levels of a majority of the key systemic sclerosis related biomarkers in skin biopsies from a disease model. Taken together, this suggests that IL1RAP acts as an important signaling node in systemic sclerosis and that CAN10 holds promise as a new and effective treatment for systemic sclerosis patients. Cantargia has generated a strong preclinical package supporting clinical development of CAN10 in systemic sclerosis.

The preclinical studies in systemic sclerosis have been performed in collaboration with one of the leading experts in the field, Prof. Dr. Jörg Distler at the Heinrich-Heine University in Düsseldorf, Germany. We have asked Prof. Dr. Distler to explain more about systemic sclerosis and the importance of developing new treatment options for patients with the disease.

"I am really looking forward to following the clinical development of CAN10, which in preclinical studies has shown potent effects on key aspects of systemic sclerosis in multiple organs and therefore has the potential to become a valuable treatment option for systemic sclerosis patients."

Prof. Dr. Jörg Distler

What is the typical disease course of systemic sclerosis?

Systemic sclerosis (SSc) is a complex, heterogeneous disease that presents with a wide variety of clinical manifestations ranging from minor symptoms (e.g., puffy, swollen fingers) to life-threatening complications (e.g., interstitial lung disease), depending on the organs involved.

Systemic sclerosis normally starts with vascular alterations known as Raynaud's disease, presenting as pale and cold fingertips, followed by activation of immune cells, autoimmunity and subsequent fibroblast activation and fibrosis. This can occur in several different tissues, often beginning with the skin, which become hard and tight, but that can progress to the lung, heart and gastrointestinal tract, among others. Some patients develop a milder form of the disease known as limited systemic sclerosis, but one third of the patients develop a more aggressive form, diffuse systemic sclerosis, often with fibrosis in multiple organs. These patients are more likely to have progressive disease and are at higher risk of systemic sclerosis-related death, most often caused by fibrotic lung disease (interstitial lung disease) or because of cardiac involvement. However, it is important to note that also the symptoms that are considered less severe still have a substantial impact on the patient's quality of life, for example issues related to the digestive system.

How common is SSc and who's at risk of developing the disease?

Systemic sclerosis is a rare disease with approximately 3 per 100,000 individuals diagnosed with the disease every year. The typical patient is a woman in her thirties presenting with pale fingertips and pitting scars, if the disease is diagnosed early. Systemic sclerosis is three times more common in women compared to males with the first manifestation appearing at around 30-50 years of age. Males with systemic sclerosis are, however, at high risk of getting a particularly aggressive and progressive form of the disease.

What is the current treatment paradigm for managing diffuse SSc and what are the key challenges with current treatments?

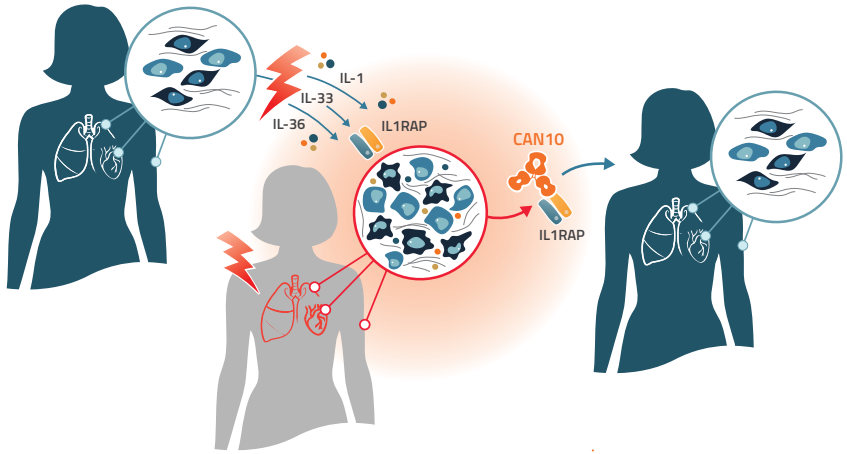
The treatment depends on the clinical manifestation but most often includes a broad-spectrum immunomodulating approach and treatment of the symptoms rather than reversing the disease. For a small subgroup of the most severe cases, stem cell transplantation can be an alternative as well. Unfortunately, all the available options are associated with severe side-effects that significantly impact the quality of life of the patients and may lead to treatment discontinuation or dose reductions to doses lower than what has been shown to be effective. One of the key challenges is that there are no drugs available that can halt progression or reverse the disease. Also, the two recently approved drugs (nintedanib, a broad-spectrum growth receptor blocker, and tocilizumab , an antibody blocking the IL-6 receptor approved in the US only) are only approved for interstitial lung disease in systemic sclerosis patients and not skin fibrosis or other manifestations.

What, in your view, is the primary unmet needs for patients with diffuse SSc?

Systemic sclerosis patients are in desperate need of new therapies. Medicines that have effects in several organs and that could even reverse disease progression are lacking today. To do this, the optimal drug would target the three most important hallmarks of the disease; the vascular alterations, the inflammation and the fibrosis, in both the lung, skin and heart. These features create vicious self-amplifying disease loops that lead to unstoppable disease progression. I am very much looking forward to following the clinical development of CAN10, which in preclinical studies has shown potent effects on key aspects of systemic sclerosis in multiple organs and therefore has the potential to become a valuable treatment option for systemic sclerosis patients.

The first part of the CAN10 phase 1 study is currently ongoing with healthy volunteers, and the second part of the trial with participants with mild to moderate psoriasis is expected to start in the second half of 2024.

CAN10 reduces fibrosis in several organs



Fibrosis is characterized by excessive production of fibrous connective tissue, ultimately leading to organ failure. In systemic sclerosis, fibrosis can occur in many organs, including the skin, lungs, and heart, where CAN10 has shown promising results in preclinical models by reducing both fibrosis and inflammation.

Drug development
– From discovery to launch

Preclinical phase

The preclinical phase is characterized by activities conducted by chemists, biologists and pharmacologists who study and develop various substances in laboratories. With the help of effective disease models, researchers can study how various pharmaceutical substances behave and interact. Individual substances are then selected for further studies in the laboratory and in animal models. Some questions that are commonly addressed include: "Does the substance have any treatment efficacy?", "What dose of the substance is appropriate?" and "Does the substance cause serious side effects?" The purpose of the preclinical phase is to select a candidate drug (CD) for which an application for clinical trials in humans is submitted.

Before a candidate drug is allowed for testing in humans, a large amount of work is required to ensure that the candidate drug is sufficiently safe and stable, and to establish how it behaves in and how it leaves the human body. An application to conduct clinical studies in humans is submitted to the relevant drug regulator, which in Sweden is the Medical Products Agency. In the United States, the clinical trial application is called Investigational New Drug (IND) Application and in the EU, Clinical Trial Application (CTA). Applications are filed in countries where the clinical trial will be conducted and are then evaluated by independent medical experts who assess whether the trial can be initiated or whether further documentation is required. Apart from obtaining permission from the drug regulators, the company must also apply for and receive permission from each country's local and/or national ethics committee. The approval of an application is followed by a long and complex process involving several years of clinical studies before the company can apply to have the product approved for general use.

Clinical phase

In the clinical phase, studies in humans are performed. These studies are normally conducted at hospitals or health centers and are formally divided into four phases – phase I, II, III and IV – although the differences between the phases are not always obvious in practice. To ensure that the studies can be interpreted objectively, endpoints for the evaluation of the studies are defined in advance. The design of the study program for a particular drug should be continually evaluated and regulatory approval is required for each sub-study.

Phase I

Phase I is the first stage where a new substance is administered to a human. The trial subjects are normally healthy volunteers and are subject to constant medical monitoring. In clinical studies in cancer, however, it is common for patients to be included already at this stage. Phase I studies normally involve 20-100 individuals. The purpose of the trial is to determine whether the trial subjects tolerate the drug and whether its behavior in the body is the same as indicated in the earlier animal studies and other research. The purpose is also to identify safe dose levels and any potential side effects. The initial dose is kept as low as possible but should be sufficiently high to provide answers to the questions that the trial is designed to answer. If the procedure progresses as planned, the dose can then gradually be increased to the clinical use level. Phase I studies normally take six months to a year to complete.

Phase II

Phase II is normally the first stage at which the new substance is administered to patients with the relevant disease. At this stage, the test group is also larger and normally consists of 100-500 subjects. The objective of this phase is to show 'proof of concept', i.e., that the drug actually achieves a treatment effect. Other objectives include studying how the drug affects the disease or its symptoms and determining the dose to be used in large-scale trials. Phase II studies can take between six months and two years to complete.

Registration phase

If the drug appears to be promising and is well-tolerated by patients, further trials are conducted to verify the results. An application for approval is subsequently filed with the relevant drug control authorities, which in Europe is the European Medicines Agency (EMA). The application must include all documentation describing the quality, safety and effect of the drug and is generally very extensive. Examination of an application takes one year on average. The examination can result in the drug being approved or rejected, or the regulator may demand that further studies be conducted. An approval can also involve the regulator approving a more limited indication than was originally intended. Once regulatory approval has been obtained, the drug can be marketed.

Research and development costs for drug development are high, in the range of billions of SEK, and mainly comprise costs for research, development, production and clinical studies of a drug. Of 10-15 products that are studied in phase I, on average, only one will normally advance to regulatory approval. Approximately 35 new medical products are introduced on the Swedish market every year.

Phase III

Phase III is initiated only if the results from phase II are sufficiently encouraging to justify further studies. In this phase, the candidate drug is given to even larger groups, often 1,000-5,000 subjects. The new substance is tested against an ineffective placebo or against another already approved drug for the same disease condition. Patients are distributed randomly between treatment groups and neither the physician nor the patients are informed of which substance has been administered. This type of trial is known as a 'doubleblind and randomized' trial and is considered to be the method that produces the best and most objective evaluation. Once the trial has been completed, the treatment of each patient is revealed. It is then possible to determine and evaluate what effect the candidate drug had compared to the placebo. The studies provide a statistical basis, which means that the difference between the two products must be statistically significant. Phase III studies can take between one to four years to complete depending on the disease, the length of time during which the patients are studied, and the number of patients included.

Phase IV

In phase IV, the therapeutic use of the drug is studied. After the phase I-III studies have been completed and the drug has been approved by the drug regulator and received market authorization, further clinical studies are often conducted in the area of use for which the product has already been approved. These are known as phase IV studies and are aimed at studying and monitoring the dose and effect relation, the impact on additional simultaneous drug treatments, and any side effects which may occur after the market launch. The overall objective is to optimize the use of the drug.

Patent protection

Cantargia's strategy is to obtain broad patent protection for its current and future product candidates in markets deemed to be of clinical and commercial relevance to its projects.

Cantargia's patent protection can be divided into two layers. The first layer consists of patents whose primary purpose is to protect Cantargia's drug candidates, nadunolimab and CAN10. The second layer consists of patents that mainly serve to extend Cantargia's protection to anti-IL1RAP antibodies with broader functional or structural properties, or for the treatment or diagnosis of a particular type of disease. One purpose of this second layer of protection is to limit the ability of potential competitors to develop drug candidates targeting IL1RAP. During the year, Cantargia has filed patent applications and obtained approved patents in selected territories.

PATENT FAMILY	PROCESSINGS	APPROVED	VALIDITY
Nadunolimab (Product)	Brazil, India	Australia, Europe (Belgium, Denmark, Estonia, France, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Switzerland, Spain, UK, Sweden, Czech Republic, Turkey, Germany, Austria), Israel, Japan, China, Mexico, Singapore, South Africa, South Korea, US	2035
CAN10 (Product)	Australia, Brazil, Europe, India, Israel, Japan, Canada, China, Mexico, Singapore, South Africa, South Korea, US	US	2041
Leukemias (Treatment)	-	US	2029
Hematological cancers (Treatment/Diagnosis)	China	Australia, Europe (France, Italy, Netherlands, Switzerland, Spain, UK, Germany), Israel, Japan, Canada, China, Mexico, South Africa, US	2030
Solid tumors (Treatment/Diagnosis)	Europe, China	Australia, Brazil, Japan, Canada, China, Mexico, South Korea, US	2032
CAN03 (Product)	-	Europe (France, UK, Germany), Japan, China, US	2035
Anti-IL1RAP antibodies (Product)	Europe	Japan, China, US	2037
Biepitopic antibody (Product)	Japan, China, US	Europe	2039

Sustainability

Company overview, strategy, and commitment

Cantargia is a Swedish biotechnology company that specializes in the discovery and development of pharmaceuticals for treatment of cancer as well as inflammatory and autoimmune diseases. Our vision is to improve global health by contributing to the treatment of unmet medical needs for severe diseases and to improve the quality of life for these patients. To accomplish this, Cantargia is committed to discovering, developing and launching future products on the market in a sustainable way, taking Environmental, Social, and Governance (ESG) aspects into consideration.

Cantargia's Board of Directors has adopted a Sustainability Policy. The policy outlines Cantargia's commitment to minimizing our environmental impact, preserving resources, and contributing to a more sustainable future. Cantargia recognizes that all 17 of the United Nations Sustainable Development Goals (SDGs) are important, but our internal policy specifically aligns with and supports SDGs 3, 5, 8, 9, and 13, summarized below. The policy further acknowledges the importance of and compliance with the European Union's Corporate Sustainability Reporting Directive (CSRD).

In the following sections, information about how the company works with sustainability will be outlined.

Our vision is to improve global health by contributing to the treatment of unmet medical needs for severe diseases and to improve the quality of life for these patients.

Environmental responsibility

While trying to improve the life of patients with the drug candidates under development, we focus on climate impact mitigation actions throughout the process. We are committed to reducing our environmental impact as much as possible, by for example tracking and reducing our energy use, water consumption, waste management, and greenhouse gas emission.

Rented Premises

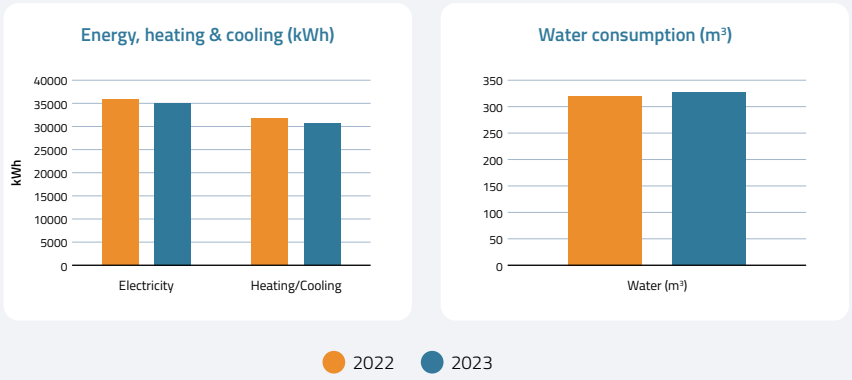
Cantargia rents premises from Wihlborgs at Ideon Gateway Scheelevägen 27 in Lund. Ideon Gateway is certified according to Miljöbyggnad (Sweden Green Building Council) and LEED (Leadership in Energy and Environmental Design) BD+C (Building Design and Construction) with a Platinum rating , which is the highest rating[1]. The building harnesses heat and cooling from the ground, and a portion of the electricity comes from solar panels integrated into the building facade. In order for Cantargia to reduce the environmental impact we have started to measure our energy consumption from the premises.

Sustainable travels

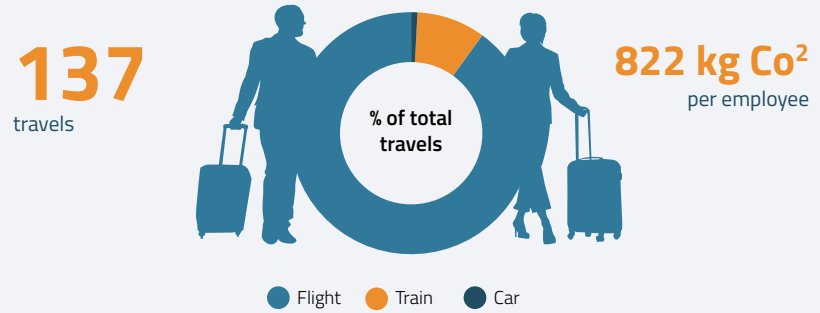
Another aspect of the company's environmental impact stems from emissions of greenhouse gases from travels. Cantargia's travel policy recommends travels by train whenever possible, both from an environmental and cost perspective. However, there are for example some conferences where air travel is necessary. During the year, the company has started measuring the annual carbon emissions from travels.

In 2023, 137 travels were made (round trips calculated as 2 travels) which resulted in a total yearly emission of 19 739 kg CO^2. 90% of the travels were made by flight, 9% by train, and 1% by car. The average amount of Co^2 emission per employee amounts to 822 kg.

Usage of electricity, heating & cooling, and water



Travels during 2023

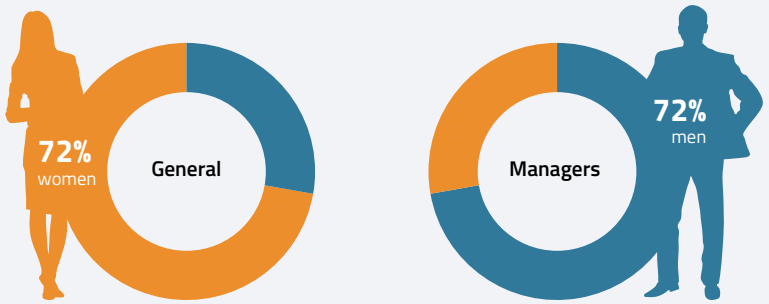


1. Möblerad arbetsplats i stilfulla Gateway – Wihlborgs

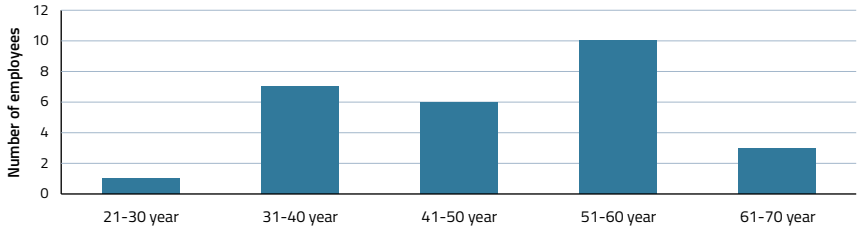
Social Responsibility

Moreover, Cantargia is committed to social responsibility. The company provides fair wages and an inclusive work environment, as well as promotes a work culture that values diversity. Employee well-being is highly prioritized, and the company has a collective agreement with IKEM (Innovations- och Kemiindustrierna).

Gender Distribution



Age Structure within Personnel



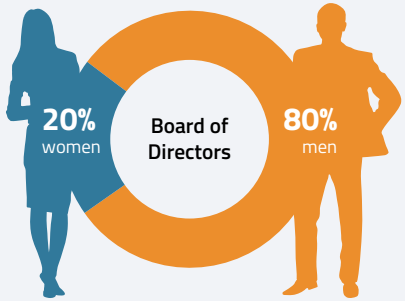
Governance

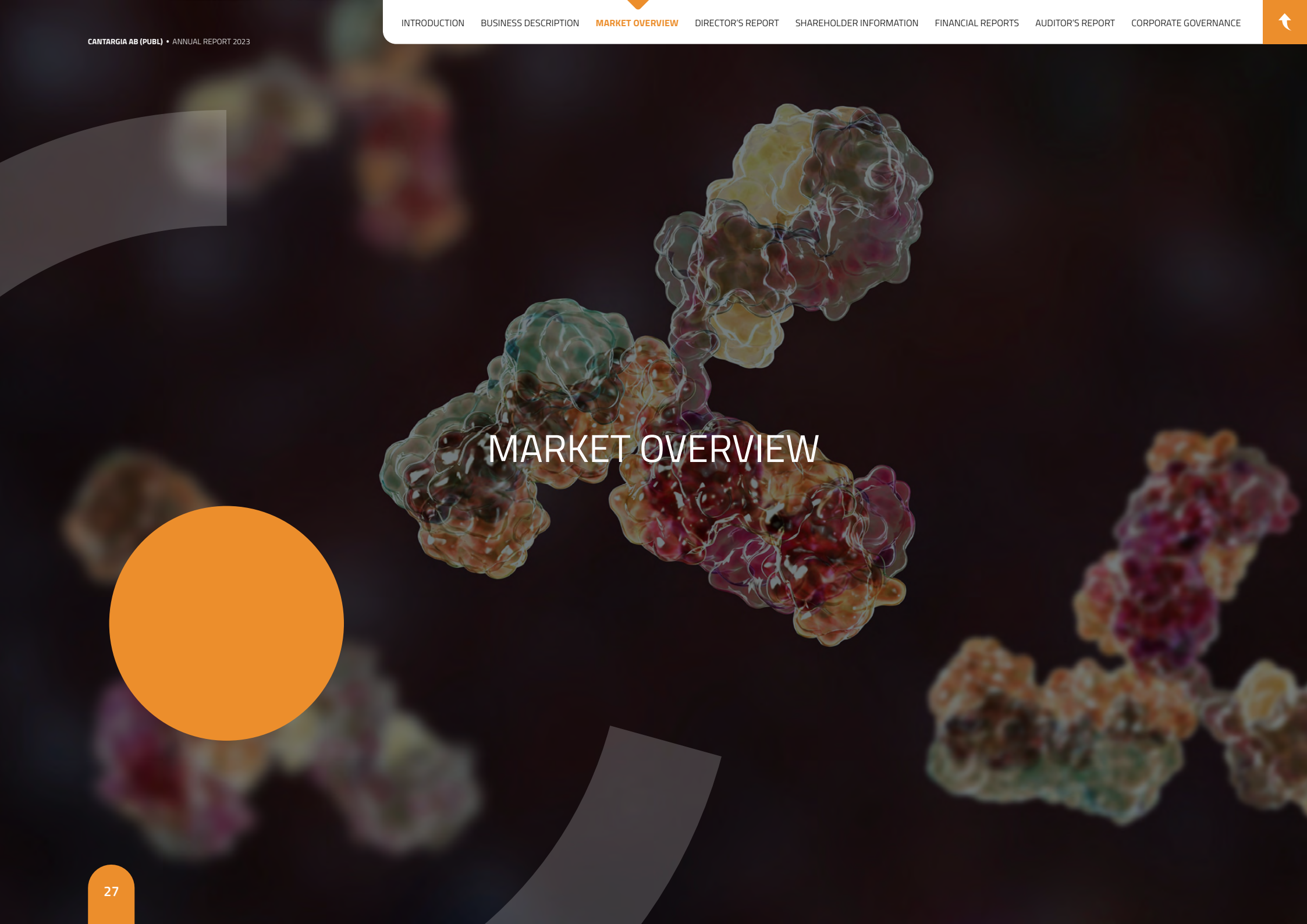
Cantargia is actively working with governance as a cornerstone of its operations, ensuring transparency, ethical conduct, and accountability at every level of the organization. There is a well-established Code of Conduct that governs all employees, emphasizing integrity and adherence to the highest ethical standards in research, development, and business practices.

The company's leadership plays a crucial role in governance responsibility. They are committed to transparency reporting in decision making and financial reporting, regularly engaging with shareholders and other stakeholders to provide insight into the company's strategic direction. Moreover, the Board of Directors include independent board members fostering impartiality and strong oversight.

For more information about the Governance in Cantargia, please see the Corporate Governance Reporton on page 71-76.

Gender Distribution





MARKET OVERVIEW

Cantargia's market focus

Since IL1RAP, the target of nadunolimab, is present on a large number of solid tumors, there is potential to utilize Cantargia's immuno-oncology platform for treatment of several additional forms of cancer.

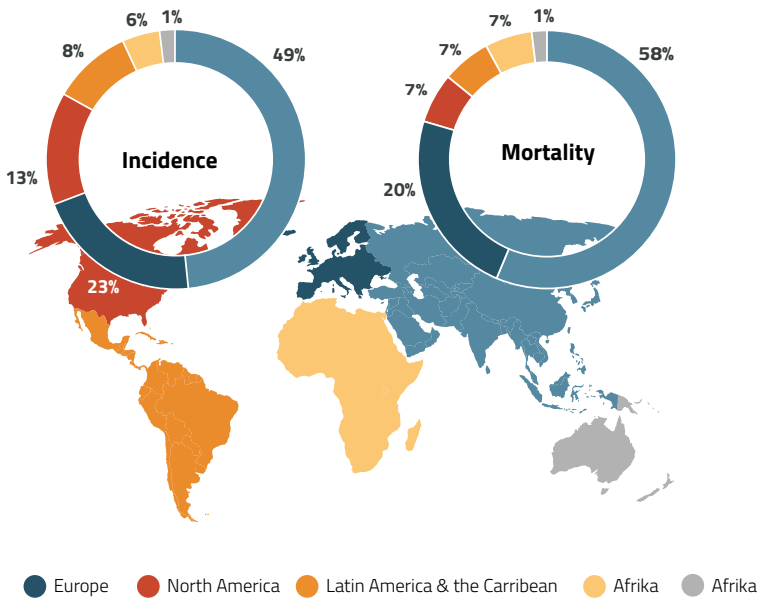
Cantargia is focusing the development of nadunolimab on pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer. Pancreatic cancer is very difficult to treat, and only a few effective therapies have been developed to date. Triple-negative breast cancer is a very aggressive type of breast cancer with limited therapeutic options. Lung cancer is the form of cancer that causes the greatest number of deaths and non-small cell lung cancer is the most common form of the disease. Cantargia has focused on the non-squamous subtype, which is the largest subgroup of non-small cell lung cancer.

In parallel with nadunolimab, Cantargia is also developing the project CAN10 which is aimed at harnessing the full potential of IL1RAP as a molecular target. In CAN10, the objective is to develop a novel antibody for treatment of myocarditis and systemic sclerosis. The medical need for both diseases is high, with few approved drugs currently available. Other inflammatory diseases will also be evaluated in the longer term to be included in Cantargia's portfolio.

Cancer – A global challenge

Cancer is one of the leading causes of death in the world, accounting for about 20 percent of deaths in the Western world. Globally, more than 18 million people are diagnosed with cancer annually and nearly 10 million die of cancer-related diseases[1]. Despite significant advances in treatment and diagnostics, there is a great need for new therapies.

There are approximately 200 different types of cancer, all of which have in common that cells begin to divide and grow uncontrollably somewhere in the human body. Research suggests that two independent events are required for cancer to develop: damaging of normal cells resulting in rapid and uncontrolled cell growth, and location of these cells in a microenvironment that provides the right conditions to grow and protects against attacks from the immune system. The chart below shows the distribution of cancer incidence and mortality in the world by type of cancer and major region in 2020.



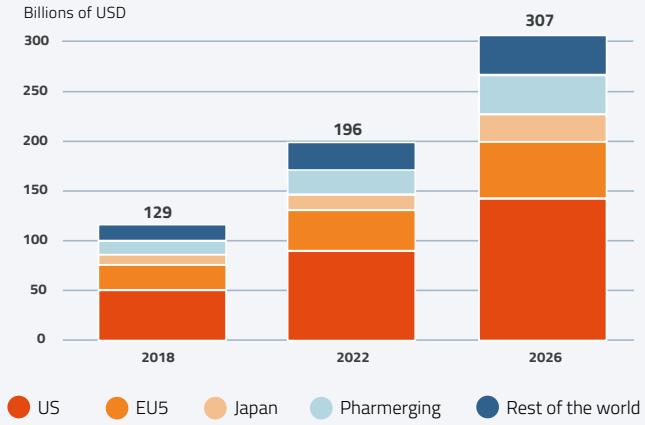
1. Globocan 2020

Source: WHO, The Global Cancer Observatory 2023

The number of cancer cases is expected to increase continuously, and the forecast by the WHO is that, by 2040, over 29 million new cases will be diagnosed annually[1]. A significant factor behind the growing incidence of cancer is the aging population. By 2040, people above the age of 60 are expected to account for more than 75 per cent of all cancer cases[1]. Another contributing factor is the Western lifestyle, characterized by factors such as smoking, alcohol consumption, unhealthy diet, low physical activity, overweight, and unhealthy sun exposure habits.

As more people are diagnosed with cancer and as additional new drugs are approved, the total costs of cancer drugs have risen significantly, reaching USD 196 billion by 2022[2]. An important factor behind the rising costs is that more innovative, and thus costly, treatments are made available, with a larger number of patients having access to these treatments. In addition, there is a strong focus on early diagnosing and thus treating patients at earlier stages. Of the ten best-selling drugs globally in 2021, half consisted of medications for the treatment of cancer[3].

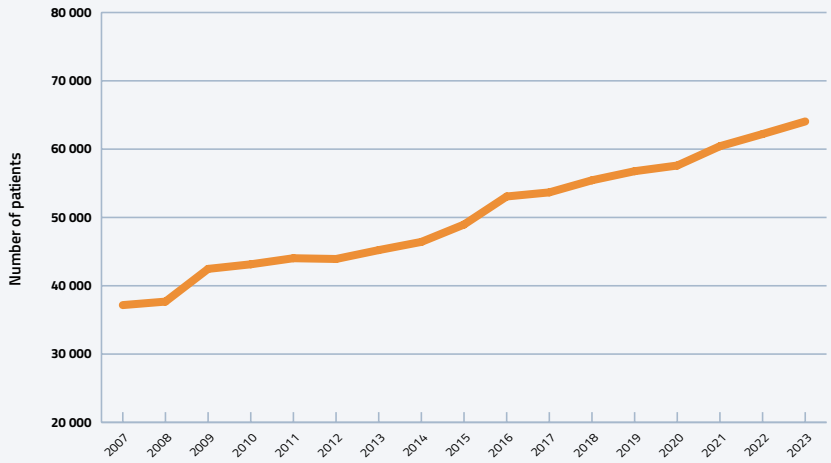
The cost of cancer drugs 2018 - 2026



EU5 (France, Germany, Italy, Spain, UK). Pharmerging (China, Brazil, India, Russia, Poland, Argentina, Turkey, Mexico, Venezuela, Romania, Saudi Arabia, Colombia, Vietnam, South Africa, Algeria, Thailand, Indonesia, Egypt, Pakistan, Nigeria, Ukraine).

Source: Iqvia Institute, Global Oncology Trends 2022, Outlook to 2026

New cases of pancreatic cancer (US)



Source: SEER Cancer Statistics Review

2. Iqvia Institute, Global Oncology Trends 2022, Outlook to 2026
3. RTTNews, Top 10 Blockbuster Drugs In 2021

The market for pancreatic cancer treatment

Globally, approximately 495,000 new cases of pancreatic cancer were diagnosed in 2020. In the same year, 466,000 people died from the disease[4]. In the US, the number of people diagnosed with the disease has increased by nearly 70 per cent over the last 20 years and pancreatic cancer is today the third most common cause of cancer-related deaths in the US[4]. Since pancreatic cancer is difficult to diagnose, it is also difficult to treat as it is often well-advanced at the time of diagnosis.

Pancreatic cancer treatment was valued at approximately USD 2.4 billion in the eight largest markets in 2021 and is expected to grow to approximately USD 4.2 billion by 2026[5]. This corresponds to an annual growth rate of just over 12 per cent during these years. The growth in this market is mainly due to an increasing number of cancer cases. The number of people diagnosed with pancreatic cancer is estimated to increase by 60 per cent by 2040[1]. The increase in the number of cases is in turn caused by an aging population and an increasing incidence of diabetes, which are both risk factors for developing pancreatic cancer. Improved diagnostics also contribute to the expected market growth as they increase the likelihood of discovering pancreatic cancer at an earlier stage, thus enabling treatment.

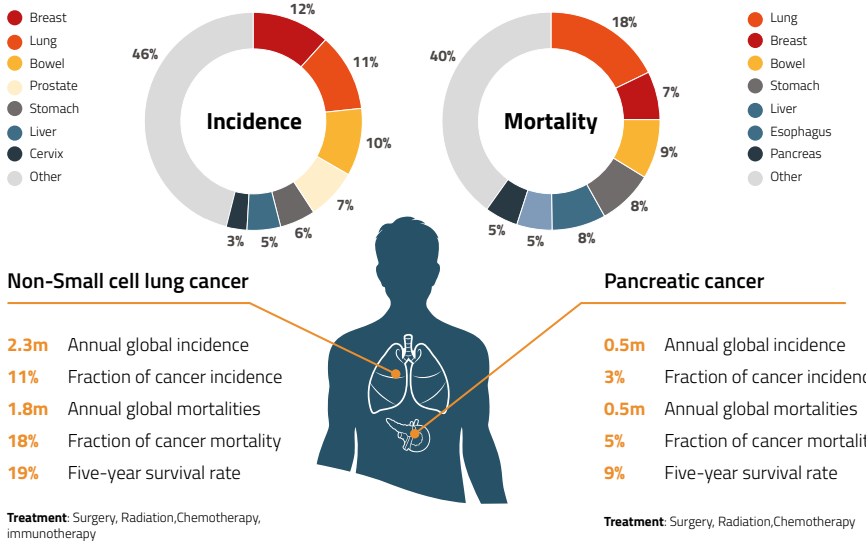
The market for lung cancer

In 2020, approximately 2.5 million cases of lung cancer were diagnosed globally and more than 1.8 million people died from the disease[1]. Around 85 per cent of all lung cancers are non-small cell lung cancer[6], which is subdivided into the squamous and non-squamous subgroups, where the latter is the largest and corresponds to 70-80 per cent of all cases[7]. In the US, the number of people diagnosed with lung cancer has decreased by approximately 27 per cent over the last 20 years, while the number of people diagnosed with this disease is increasing in countries such as China and India, and in European countries such as Hungary, Denmark and Serbia.

Sales of drugs for non-small cell lung cancer totaled USD 20 billion in 2020 and are projected to increase to USD 45 billion by 2027[8]. Sales are mainly driven by increasing use of various antibody-based immunotherapies. Another important factor contributing to the growth of the global market is the increasing incidence of lung cancer in many countries, as mentioned above.

The market for breast cancer treatment

Breast cancer is currently the most common form of cancer. In 2022, approximately 2.3 million new cases were reported, and approximately 666,000 women died from the disease. In 2040, around 3 million women are expected to be diagnosed with the disease and just over one million will die as a consequence of the disease[1]. The risk of developing breast cancer increases with age up to the age of 70. In the US, the median age for developing breast cancer is 62 years[7]. According to a study conducted on American women, increases in BMI and the fact that women on average give birth to fewer children, likely contribute to the increase in cases in the US between 1980 and 2018[9].



Source: WHO, The Global Cancer Observatory 2020, Cancer.gov (National Cancer Institute, Sep-20), American Cancer Society, Nov-17

4. SEER Cancer Stat Facts
5. Reportlinker.com, Pancreatic Cancer Treatment Market Research Report - Global Forecast to 2026
6. American Cancer Society
7. Paz-Ares et al, N Engl J Med 2018; 379:2040-2051
8. Reportlinker, Global Non-Small Cell Lung Cancer (NSCLC) Therapeutics Industry
9. Pfeiffer RM et al, Cancer Epidemiol Biomarkers Prev. 2018;1:1

The global market for breast cancer treatment amounted to approximately USD 17.9 billion in 2021 and is expected to increase to USD 20 billion by 2025, corresponding to an annual growth rate of approximately 8 per cent[10]. The market growth is primarily caused by an increased incidence of the disease, but also the need for preventive measures and early treatment. The market growth is also expected to be driven by the launch of new therapies.

Triple-negative breast cancer tends to be more common in women under the age of 40, African-American women and women with a BRCA1 mutation. Approximately 10-15 per cent of breast cancer cases are triple-negative breast cancer[6]. The market for the treatment of triple-negative breast cancer is expected to be worth over USD 820 million by 2027 following an annual growth rate of approximately 4.5 per cent between 2020 and 2027[11].

The market for myocarditis and systemic sclerosis

By blocking IL1RAP, CAN10 creates numerous opportunities to influence conditions within the inflammation and immunology field, an area that has grown immensely over the past two years. More than half of all diseases are considered to have an inflammatory or immunological component, and drugs within immunology addressing a fundamental physiological cause of autoimmunity, such as CAN10, can therefore be applied to many indications, which is a phenomenon known as "pipeline in a drug". The latest forecasts show that costs within the inflammation and immunology segment are expected to increase from $108 billion this year to over $260 billion over the next eight years[12]. Initially, Cantargia has chosen to focus on the two serious diseases myocarditis and systemic sclerosis. However, there are many more indications that may become relevant for CAN10.

Myocarditis is characterized by inflammation of the muscular tissues of the heart (myocardium) arising from, for example, autoimmunity or various types of infections. Regardless of its etiology, myocarditis is characterized by initial acute inflammation that can progress to subacute and chronic stages, resulting in tissue remodeling, fibrosis, and loss of contractile function.

The incidence of myocarditis is approximately 22 per 100,000 (1.7 million)[13], and globally the disease accounts for about 0.6 deaths per 100,000 (46,400) annually[14]. The medical need is high for subgroups of patients with fulminant myocarditis (acute disease) and dilated cardiomyopathy (chronic disease), where mortality is very high in certain subtypes. For these patients, heart transplantation is currently the only definitive treatment.

Systemic sclerosis is a chronic autoimmune disease that is mainly characterized by inflammation and fibrosis of the skin and subcutaneous tissue, as well as blood vessels and internal organs such as the lungs, heart, and kidneys. Systemic sclerosis is a complex, heterogeneous disease that can occur with a variety of clinical manifestations ranging from minor to life-threatening.

The estimated annual incidence of systemic sclerosis is approximately 1.4-5.6 per 100,000[15]. The main cause of death in patients with systemic sclerosis is interstitial lung disease and the medical need is particularly high in these patients. The worth of the pharmaceutical market for systemic sclerosis was estimated to approximately USD 500 million in 2020 and is expected to grow to USD 1.8 billion by 2030 in the seven major markets[16]. This corresponds to an average annual growth rate of 14 per cent.

10. Research and Markets, Breast Cancer Drugs Global Market Report 2021
11. FutureWise, Triple Negative Breast Cancer Treatment Market By Drug Type, 2020-2027
12. Precedence Research 2023, Report Code: 3867
13. J Am Coll Cardiol. 2016 Nov 29;68(21):2348-2364
14. Lancet. 2018;392:1736-88
15. Clin Epidemiol. 2019; 11:257-273
16. GlobalData, Systemic Sclerosis: Global Drug Forecast and Market Analysis to 2030

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Cantargia AB (publ), corporate ID no. 556791-6019, hereby present the annual report for the financial year 1 January – 31 December 2023. The company has its registered office in Lund, Sweden. Amounts in the annual report are expressed in thousands of Swedish kronor (kSEK) unless otherwise indicated.

Operations

Cantargia is a biotechnology company that develops antibody-based treatments for life-threatening diseases and has established a platform based on the protein IL1RAP, involved in a number of cancer forms and inflammatory diseases. The lead project, the antibody nadunolimab (CAN04), is studied clinically primarily in combination with chemotherapy, focusing on pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer. Positive interim data from the combination with chemotherapy indicate stronger efficacy than would be expected from chemotherapy alone. Cantargia's second development project, the antibody CAN10, blocks signaling via IL1RAP in a different manner than nadunolimab and addresses treatment of serious autoimmune and inflammatory diseases, with initial focus on myocarditis and systemic sclerosis.

Definitions

- **Cash and bank balances and liquid investments** - Cash and available deposits with banks and other credit institutions
- **Equity/assets ratio** - Adjusted equity as a percentage of total assets
- **Quick ratio** - Current assets as a percentage of current liabilities
- **R&D costs** - Total project costs plus allocated portion of personnel expenses and other external expenses
- **Project Costs** - The sum of external costs in Preclinical, Clinical, CMC, Regulatory and Patents
- **Earnings per share** - Profit for the year divided by number of outstanding shares at end of period
- **Equity per share** - Equity divided by number of shares at end of period

Five-year comparision

Amounts in mSEK	2023	2022	2021	2020	2019
Net sales	-	-	-	-	-
Loss after net financial income/expense	-280.0	-371.8	-366.5	-173.1	-110.8
Cash and bank balances and liquid investments	139.7	189.6	247.3	693.4	39.9
Short-tem investments	55.0	237.1	312.1	210.0	110.0
Equity	168.7	389.7	532.7	891.9	142.3
Total assets	223.7	474.8	600.2	925.5	166.1
Equity/assets ratio (%)	75%	82%	89%	96%	86%
Quick ratio (%)	391%	543%	887%	2996%	669%
R&D costs	-272.9	-364.7	-352.7	-158.4	-97.5
Project costs[1]	-220.5	-306.7	-304.2	-121.9	-81.1
Total operating expenses	-290.0	-381.5	-370.3	-173.9	-111.6
R&D costs as a percentage of total operating expenses (%)	94%	96%	95%	91%	87%
Project costs as a percentage of total operating expenses (%)	76%	80%	82%	70%	73%
Number of outstanding shares at 31 Dec	183,686,684	166,987,895	100,192,737	100,192,737	72,804,392
Number of outstanding warrants 31 Dec	-	-	-	-	85,000
Number of outstanding employee options at 31 Dec[2]	4,097,333	3,069,333	3,170,333	1,740,000	-
Earnings per share before and after dilution (SEK)[3]	-1.65	-2.90	-3.66	-1.94	-1.56
Equity per share (SEK)	0.92	2.33	5.32	8.90	1.95
Dividend (SEK)	-	-	-	-	-

1. See also Note 24
2. See also Note 19
3. Cantargia has and had potential ordinary shares in the form of warrants during the period. These do not have a dilutive effect, however, as a conversion of warrants into ordinary shares would result in a lower loss

Significant events during the year

Nadunolimab

Clinical

Pancreatic cancer

- At (American Association for Cancer Research) AARC 2023, it was presented that patients with pancreatic cancer who have high tumor levels of IL1RAP, the target protein for nadunolimab, benefit the most from treatment with nadunolimab and chemotherapy.
- In May, Cantargia announced an intensification of the development of nadunolimab in pancreatic cancer through a new controlled Phase IIb clinical study.
- In September, new clinical data were presented, supporting nadunolimab's anti-tumor activity and demonstrating a key role for its target IL1RAP in pancreatic cancer.

Triple-negative breast cancer

- In February, it was reported that Cantargia initiated the randomized phase II part of the TRIFOUR study, based on promising early safety and efficacy data. In March, the first patient was treated.

Non-small cell lung cancer

- In June, Cantargia's poster was published and presented at ASCO, showing promising efficacy data for nadunolimab in non-small cell lung cancer, with two complete responses.

Other

- In September, funding was announced with an external American grant for a new clinical study in leukemia.

Preclinical

- At the AACR conference 2023, it was announced that a surrogate antibody of nadunolimab reduced metastatic burden and counteracted tumor-promoting processes in the metastatic microenvironment.
- In October, Cantargia presented clinical phase Ib data for nadunolimab in triple-negative breast cancer at the ESMO Congress 2023. The data demonstrate promising efficacy and safety.
- In September, new preclinical data were presented on nadunolimab's potential to enhance the anti-tumor effect of immunotherapy at CRI-ENCI-AACR.

CAN10

Clinical

- In April, it was announced that Cantargia submitted an application for a clinical phase I study for CAN10. In August, Cantargia reported that a regulatory approval to initiate a clinical phase I study was obtained. In September, the first individual was treated.

Preclinical

- In January, it was announced that Cantargia successfully completed the toxicity study for the CAN10 antibody.
- In November, data were presented demonstrating that blocking IL1RAP leads to reduced inflammation in blood vessels and that levels of IL1RAP correlate with various inflammatory markers in inflamed tissue.

Other

- In September, it was announced that the FDA granted orphan drug status to CAN10 for the treatment of systemic sclerosis.

IP

- In July, a positive decision was announced following oppositions against a European patent. The decicsion was first appealed by a thrid party but was later withdrawn.

Organization

- In February, it was announced that Patrik Renblad had been recruited as Chief Financial Officer (CFO). Patrik Renbald started in June.
- In June, it was announced that Dr. David Liberg had been promoted to Chief Scientific Officer (CSO).
- In November, the nomination committee for the 2024 annual general meeting was appointed.

Financing

- In October, a new share issue of approximately 59 million SEK before deduction of transaction costs was decided upon. The final outcome was discloused in November, including the new number of shares and voting rights in the company.

Significant events after the year

- In January, it was reported that the clinical phase I study in CAN10 is progressing as planned, without any safety issues.
- In February, new clinical data were presented, demonstrating that nadunolimab has additional effects that may be highly valuable in combination with standard chemotherapy or ADCs by reducing neuropathy and counteracting tumor-promoting signals.
- In February, regulatory approval was announced in the US to initiate a phase IIb study with nadunolimab in pancreatic cancer.
- New data were reported highlighting how nadunolimab can induce anti-tumor activity in pancreatic cancer by blocking the onset of fibrosis. The data was presented at AACR in April 2024.
- In March, progress was reported towards the start of the DoD-sponsored clinical trial of nadunolimab in leukemia.
- In April, three scientific articles were published on CAN10 within atherosclerosis, systemic sclerosis, and the antibody's mechanism of action.

Revenues

Cantargia's net sales in 2023 was SEK 0 (0) million.

Operating expenses and operating profit or loss

Research and development costs totaled SEK 272.9 (364.7) million. The decreased R&D expenses compared to previous year are primarily a result of the focus within the clinical program and lower production costs.

Administrative expenses totaled SEK 14.9 (15.0) million. The unchanged level reflects the development of R&D costs and the fact that administrative costs are largely fixed in nature.

Other operating expenses, which comprise foreign exchange differences on trade payables, amounted to SEK 2.3 (1.9) million. Other operating expenses is mainly related to the change in the value of the Swedish krona against the Euro.

The operating loss amounted to SEK -290.0 (-381.5) million for the year.

Net financial income/expense

Net financial income/expense primarily consists of currency differences on the company's currency accounts and interest income from short-term investments. The financial net for the full year was also positively affected by the sale of short-term investments totaling SEK 5.7 million. The total financial net for the full year amounted to SEK 10.0 (9.7) million.

Earnings

Cantargia's loss before tax, which is the same as the loss for the year, was SEK -280.0 (-371.8) million.

Cash flow and investments

Cash flow from the operating activities for the full year amounted to SEK -286.7 (-358.9) million. As part of the cash flow from operating activities, changes in working capital amounted to SEK -14.5 (14.6) million.

Cash flow from investing activities totaled SEK 182.1 (67.9) MSEK. Cash flow from investing activites is primarily related to disposals as well as new short-term investments in fixed-rate accounts and bond funds.

Cash flow from financing activities for the full year amounted to SEK 54.7 (223.9) million. The positive cash flow in 2023 is related to the directed new share issue completed in November 2023. The positive cash flow in 2022 is related to the rights issue completed in August 2022.

Total change in cash and cash equivalents for the full year, including exchange rate differences, amounted to SEK -49.9 (-67.1) million.

Financial position

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 139.7 (189.6) million at the balance sheet date. In addition to cash and cash equivalents, the company had short-term investments with banks and in fixed income funds of SEK 55.0 (237.1) million. Total available funds, bank deposits and short-term investments, at the balance sheet date amount to SEK 194.7 (426.7) million.

The equity/assets ratio on 31 December 2023 was 75 (82) per cent and equity was SEK 168.7 (389.7) million.

At the end of the period, total assets amounted to SEK 223.7 (474.8) million.

Share-based incentive schemes

The purpose of share-based incentive schemes is to promote the company's long-term interests by motivating and rewarding the company's senior executives and other employees.

At the end of the reporting period, Cantargia had two active employee stock option programs as well as one approved program covering the company's management, other employees and consultants. The active programs are the personnel option program 2020/2023, decided at the Annual General Meeting (AGM) in 2020, and the personnel option program 2021/2024, decided at the AGM in 2021. The approved but not yet activated program at the end of the reporting period is the personnel option program 2023/2026, decided at the AGM in 2023. For more information about these programs, please refer to Note 19.

In 2023, 1,406,000 employee stock options were granted and 378,000 employee stock options were revoked. The granted options as of December 2023, amounted to 4,097,333, corresponding to ta total of 4,916,800 potential shares. Recalculation of the employee stock option program after the completion of the rights issue in 2022 means that each option in the employee stock option programs 2020/2023 and 2021/2024 entitles to 1.2 shares.

The cost of the share-based incentive schemes was SEK 4.5 (4.0) million, of which SEK 0.1 (-0.9) million refers to provisions for social security contributions and SEK 4.4 (4.8) million to costs for share-based payments. The cost has not affected cash flow. The company has issued warrants to facilitate, in a simple and cost-effective manner, the delivery of shares upon exercise of the issued employee stock options.

Risks and risk management

Several risk factors can have a negative impact on the operations of Cantargia. It is therefore very important to take account of relevant risks in addition to assessing the company's growth prospects. A description of risk factors, not in order of importance and not exhaustive, is given below. For natural reasons it is not possible to assess all risk factors without making a general assessment of the company's operations and external factors. See also Note 3, Financial risk management.

Research and development and dependence on one candidate drug

The development of nadunolimab is associated with significant risks of failure and/or that the results will be such that continued research and development will be required. These risks include that the company's drug will prove to be ineffective, dangerous, toxic, or otherwise fail to meet the applicable requirements or that the candidate drug will prove to be difficult to develop into a commercially viable product that generates revenue for the company. There is also a risk that delays and unexpected difficulties in the development (for example, production or clinical studies) could incur additional costs for the company. If the development of nadunolimab fails, this would have a significant adverse impact on Cantargia's operations, financial position and results, and there is a risk that Cantargia would not be able to continue its operations in the current form.

Implementation of preclinical and clinical studies

Results from early clinical studies are not always consistent with the results of more comprehensive clinical studies. There is a risk that the planned studies will not indicate levels of safety and efficacy that are sufficient to obtain the required regulatory permits or to enable the company to license, establish partnerships for or sell its potential product.

Regulatory permits and registrations

To obtain the right to market and sell a drug, all candidate drugs under development need to go through a comprehensive registration process and be approved by the relevant regulator in an individual market.

There is also a risk that the rules which currently apply for registration, or interpretations of these rules, will be amended in a way that is to the disadvantage of Cantargia. In the event that Cantargia does not obtain the required product approvals or in the event that any future approvals are withdrawn or limited, this could have significant negative effects on Cantargia's operations, financial position and results.

Changes in economic activity and the pricing of drugs

The pricing and demand for pharmaceutical drugs could be adversely affected by a general economic decline in major pharmaceuticals markets. In certain countries, the pricing of drugs is determined at the regulatory level and, in case of the launch of drugs, the pricing could thus be regulated by authorities in several countries. A deterioration in general economic conditions and/or regulatory decisions could therefore result in a lower pricing of the drug projects than expected by Cantargia, which could have a significant negative impact on the company's operations, financial position, and results.

Partnerships, licensing and marketing

Cantargia is and will in future be dependent on partnerships in connection with the development of candidate drugs, preclinical and clinical studies, and licensing/partnerships for any future sale of drugs. In the event that these or future partnerships were to be terminated, there is a risk that the company would be unable, on short notice, to conclude contracts with suitable new business partners, which could have a significant negative impact on the company's operations, financial position and results.

In the future, Cantargia could also be dependent on external parties for marketing and sales. If the company is not successful in its attempts to conclude future or maintain existing partnership agreements for its product candidate, this could have a significant negative impact on Cantargia's operations, financial position, and results.

Financing and capital requirements

Since starting its operations, Cantargia has been reporting an operating loss and cash flow is expected to remain mainly negative until Cantargia succeeds in generating revenue from a launched product. Cantargia will also continue to need significant capital for research and development in order to conduct preclinical and clinical studies. If Cantargia, wholly or partly, were to fail to acquire sufficient capital, or succeed in doing so only on unfavourable terms, this could have a significant negative impact on the company's operations, financial position and results.

Competition

If a competitor succeeds in developing and launching an effective cancer drug, this could have a negative impact on the company's ability to generate revenue. Furthermore, technology that is controlled by outside parties and that could be of use for the company's operations could be acquired or licensed by Cantargia's competitors, and thereby prevent Cantargia from obtaining such technology on commercially acceptable terms, or at all. Competitors with greater resources could also successfully market a similar or even an inferior drug and obtain wider recognition in healthcare in general for such a drug, which could have a negative impact on the company's operations, financial position, and results.

Dependence on key individuals and employees

Cantargia is dependent on a number of key individuals for the continued development of the company's operations and preclinical and clinical projects. There is, however, a risk that one or several of the company's employees will terminate their employment with the company or that the company will fail to recruit new individuals with relevant knowledge, which could delay the company's development and commercialization of its candidate drug.

Patents and other intellectual property rights

There is a risk that it will not be possible to obtain patent protection for drugs and production methods developed by Cantargia, that Cantargia will be unable to register and complete all necessary or desirable patent applications at a reasonable cost or that a future patent portfolio and other intellectual property rights held by the company will not provide adequate commercial protection. There is also a risk that a patent will not create a competitive advantage for the company's drugs and/or methods or that competitors will succeed in circumventing the company's patents.
If Cantargia is forced to defend its patent rights against a competitor, this could entail significant costs, especially in any disputes with competitors with significantly greater resources than Cantargia. If Cantargia in its own operations uses or is alleged to be using products or methods which are protected by patents or will be patented by another party, the holder of these patents could accuse Cantargia of patent infringement.

The failure to maintain its own, and/or any infringement of other parties' intellectual property rights could have a significant negative impact on Cantargia's operations, financial position and results.

Product liability

Cantargia's operations are subject to various liability risks that are common for companies engaged in drug research and development. This includes the risk of product liability that can arise in connection with production and clinical studies where the participating patients can experience side effects or fall ill during treatment. There is a risk that product liability claims could have a significant negative impact on Cantargia's operations, financial position, and results.

Insurance cover

Cantargia believes that the insurance cover for its current operations is appropriate. There is, however, a risk that such cover will prove insufficient for claims that could arise in relation to product liability and other damage. There is therefore a risk that insufficient or excessively expensive insurance cover could have a significant negative impact on the company's operations, financial position, and results.

Currency risk

Assets, liabilities, income and expenses in foreign currency give rise to currency exposures. The company is exposed to currency risks, as some the company's costs are paid in EUR, USD and other international currencies and because a part of the company's future sales revenue may be received in international currencies. A material change in such exchange rates could have a negative impact on the company's financial statements, which in turn could have negative effects on Cantargia's financial position and results. See also Note 3 for information about how Cantargia handles this risk.

Employees

One of Cantargia's key success factors is the company's employees. The average number of employees of the company during the year was 24 (27), of whom 14 (17) are women. The number of employees at year-end was 22 (26) fulltime equivalents, of whom 13 (16) are women. The level of education among the employees is generally high. Nearly all employees hold a PhD in medicine or natural sciences or have higher university degrees. In addition to its employees, Cantargia engages a number of consultants who are tied to the business on a continuous basis. The large network with which Cantargia works ensures access to top-level expertise, flexibility, and cost effectiveness.

Research and development

The majority of the company's resources, 94 (96) percent, are used for research and development.

Environmental impact

Cantargia AB does not engage in activities requiring a permit under the Swedish Environmental Code, as the company does not engage in the production of pharmaceuticals or pharmaceutical substances and does not handle solvents and chemicals.

Guidelines for remuneration and other terms of employment for senior executives 2023

Under the Swedish Companies Act, guidelines for remuneration of the CEO and other senior executives must be adopted by the shareholders' meeting. A set of guidelines were adopted at the Annual General Meeting on 27 May 2020. No deviations from these guidelines have been made.

The guidelines do not cover remuneration or share-based incentive schemes adopted or approved by the shareholders' meeting.

The guidelines applying for 2023 are presented below. For more information, see also Note 18.

How the guidelines promote Cantargia's business strategy, long-term interests and sustainability

Cantargia's business model and scientific strategy are based on partnerships, and Cantargia has entered agreements with a number of companies, hospitals and academic groups. A large number of international and local organizations are currently engaged in research and development related to Cantargia's nadunolimab and the CAN10 antibody. The strategy is to advance the development of these drug candidates in-house until the stage where a development or commercialization agreement is reached with companies within Cantargia's business area. For further information about Cantargia's business strategy, see www.cantargia.com.

To successfully implement its business strategy and safeguard its long-term interests, including its sustainability, it is essential that Cantargia is able to recruit and retain competent employees who work to achieve maximum shareholder and customer value. To do so, Cantargia must be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

Long-term incentive schemes have been established in Cantargia. The schemes have been approved by the shareholders' meeting and are therefore not covered by these guidelines. For the same reason, the share-based incentive scheme and employee stock option scheme approved by the 2020, 2021 and 2023 AGMs are also not covered.

Forms of remuneration

The remuneration paid to senior executives shall be market based and may consist of the following components: a fixed cash salary, variable cash remuneration, pension benefits and other benefits. The total remuneration paid to senior executives shall comprise a balanced mix of the above components. The Board shall annually evaluate whether long-term incentive schemes should be proposed to the shareholders' meeting.

The fixed cash salary shall be individual and based on the senior executive's areas of responsibility, role, competence and position.

For the CEO, the variable cash remuneration shall not exceed 30 percent of the fixed annual cash salary. For other senior executives, the corresponding remuneration shall not exceed 20 percent of the executive's fixed annual cash salary. Variable cash remuneration can be pensionable if this is provided for under mandatory provisions of a collective bargaining agreement.

Pension benefits shall be defined contribution benefits unless the executive is covered by a defined benefit plan under mandatory provisions of a collective bargaining agreement. Pension premiums for defined contribution pensions shall not exceed 35 percent of the fixed annual cash salary. Notwithstanding the above, the Board shall have the right to instead offer other solutions that are equivalent from a cost perspective for the company.

Other benefits may include benefits such as health insurance and occupational health care. Such benefits must be of limited value in relation to other remuneration and be consistent with normal market practice in each geographical market. The combined value of other benefits shall not exceed 10 percent of the fixed annual cash salary.

With regard to employment relationships that are subject to other rules than Swedish rules, appropriate adjustments may be made in respect of pension benefits and other benefits in order to comply with mandatory rules or established local practice, in which case the general purpose of these guidelines shall be adhered to as far as possible.

Termination of employment

If employment is terminated by Cantargia, the notice period shall not exceed six months. If employment is terminated by the executive, the notice period shall not exceed six months for the CEO and three months for other senior executives.

For the CEO, severance pay of up to twelve months' fixed cash salary and employment benefits may be paid, in addition to a fixed basic salary during the notice period. For other senior executives, the sum of the fixed basic salary during the notice period and severance pay shall not exceed the amount of the executive's annual fixed cash salary.

Criteria for payment of variable cash remuneration, etc.

Variable cash remuneration must be linked to predetermined and measurable criteria, which may be financial or non-financial and must be designed to promote the company's long-term value creation. The criteria must relate to development activities in the development projects in which the company is engaged and the partnerships the company enters into to accelerate the clinical development process and advance towards commercialization as well as the remuneration resulting therefrom (e.g. one-time payments at the time of entering into agreements, milestone compensation or royalties). The criteria must also be designed to promote Cantargia's business strategy and longterm interests, including its sustainability.

Fulfilment of criteria for payment of variable cash remuneration shall be measured over a period of one year. When the measurement period for meeting the criteria for payment of variable cash remuneration has ended, it shall be determined to what extent the criteria have been met. The assessment regarding variable cash remuneration of senior executives shall be made by the Remuneration Committee. With regard to financial targets, the assessment shall be based on the company's most recently published financial information.

Salary and terms of employment for employees
In preparing these proposed remuneration guidelines, the Board has taken account of salaries and employment terms for the company's employees by including information on employees' total remuneration, the components of the remuneration and the increase and rate of increase of the remuneration over time in the decision basis used by the Board to assess the reasonableness of the guidelines and the limitations arising therefrom.

The decision-making process for determining, reviewing and implementing the guidelines
The Board has established a Remuneration Committee. The committee's duties include preparing the Board's resolution on the proposed guidelines for remuneration of senior executives. The Board shall prepare proposed new guidelines at least every fourth year and submit its proposal for adoption by the AGM. The guidelines shall apply until new guidelines have been adopted by the shareholders' meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for management, the application of guidelines for remuneration of senior executives, and applicable remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and management. During the Board's deliberations and when resolutions on remuneration-related matters are made, the CEO or other members of management shall not be present, insofar as they are affected by the matters concerned.

Deviation from the guidelines
The Board may decide temporarily to deviate, wholly or partially, from the guidelines if in an individual case there are special reasons therefor and such deviation is necessary to safeguard Cantargia's long-term interests, including its sustainability, or to ensure Cantargia's financial viability. As stated above, it is part of the duties of the Remuneration Committee to prepare the Board's resolutions on remuneration matters, which includes resolutions on deviations from the guidelines.

Outlook for 2024

Cantargia's goal is to develop drug candidates for treatment of life-threatening diseases with a focus on cancer as well as autoimmune and inflammatory diseases. The strategy is to advance the development of these drug candidates in-house until the stage where a development or commercialization agreement is reached with companies within Cantargia's business area.

For Cantargia's main project, nadunolimab, the objectives is to confirm the pormising phase I/II results in randomized studies. One such study, TRIFOUR, has already been initiated for triple negative breastcancer, and in 2024, Cantargia also plans to recruit for a randomized study in pancreatic cancer. An additional ambition is to build on the promising results showing that pancreatic cancer patients with high levels of IL1RAP respond best to treatment with nadunolimab and chemotherapy. Furthermore, the goal is to advance Cantargia's other project, CAN10, in the ongoing clinical phase I study.

Appropriation of retained earnings

Proposed appropriation of retained earnings (see also Note 21). The Annual General Meeting is asked to decide on the appropriation of the following:

Share premium account	-1,242,455,507
Loss brought forward	1,676,529,714
Loss for the year	-280,027,215
	154,046,992

The Board of Directors proposes that: SEK 154,046,992 be carried forward.

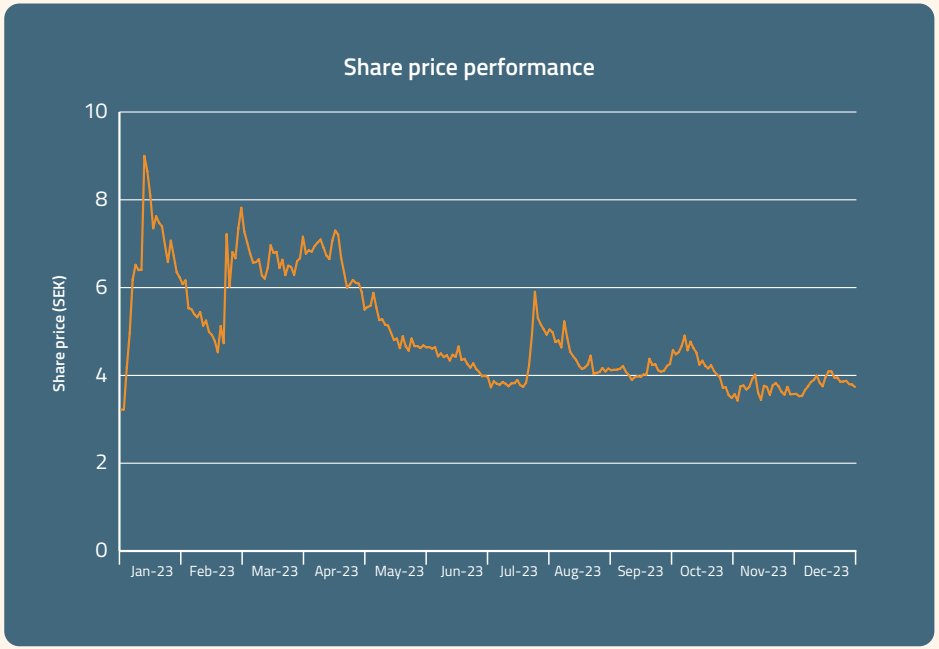
For more information on the company's results and financial position, see the following income statement and balance sheet and the additional disclosures.

SHAREHOLDER INFORMATION

Shareholder information

The share

As of 25 September 2018, Cantargia's shares have been listed on the main list of Nasdaq Stockholm, under the stock symbol "CANTA". At 31 December 2023, the number of shares amouted to 183,686,684 (166,987,895). At the balance sheet date, the total outstanding option scheme including not assigned options comprised 7,097,333 employee stock options, entitling the holders to subscribe for 7,916,800 shares, which would have a dilutive effect of approximately 4,1 per cent and increase the share capital by SEK 633,344.



Ownership distribution

Cantargia's ten largest owners as of December 31, 2023

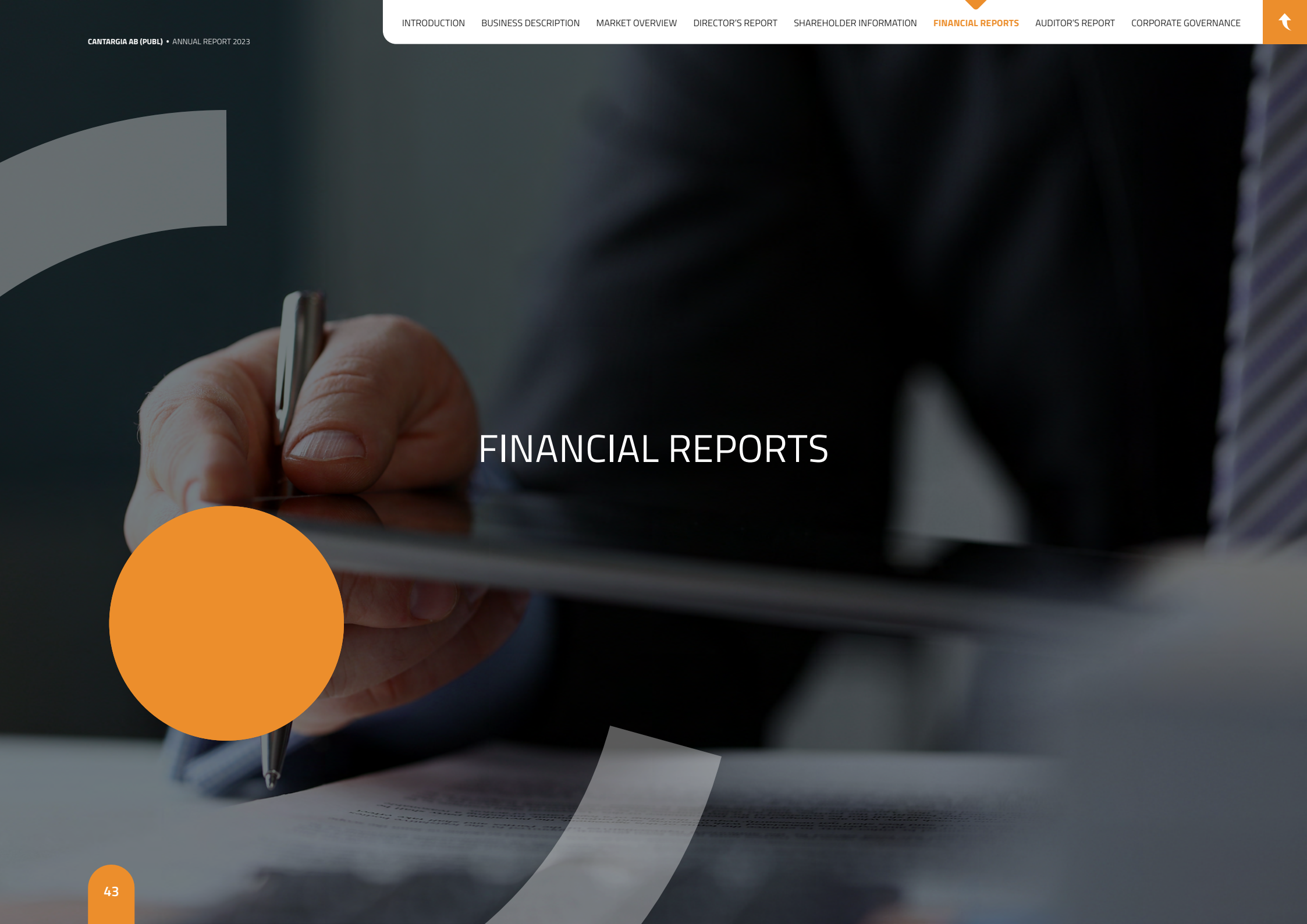
Owner	Number of shares	Capital/Votes (%)
Fjärde AP-fonden	18,124,193	9.9%
Första AP-fonden	13,000,000	7.1%
Alecta Tjänstepension, Ömsesidigt	12,865,770	7.0%
Six Sis AG	8,474,922	4.6%
Försäkringsaktiebolaget, Avanza Pension	8,451,152	4.6%
Golman Sachs International	6,353,905	3.5%
Handelsbanken fonder	4,658,416	2.5%
Swedbank Robur Fonder	3,692,995	2.0%
Nordnet Pensionsförsäkring	2,812,241	1.5%
Brushamn Invest Aktiebolag	2,261,160	1.2%
Other	102,991,930	56.1%
Total	**183,686,684**	**100.0%**

Ownership distribution size classes as of December 31, 2023

Holding	Number of shareholders	Number of shares	Capital/ Votes (%)	Market Cap (KSEK)
1 - 500	8,421	1,258,662	0.7%	4,705
501 - 1,000	2,111	1,674,666	0.9%	6,260
1,001 - 5,000	4,231	10,577,411	5.8%	39,538
5,001 - 10,000	1,230	9,214,826	5.0%	34,445
10,001 - 15,000	430	5,316,568	2.9%	19,873
15,001 - 20,000	286	5,101,045	2.8%	19,068
20,001 -	759	137,458,415	74.6%	512,424
Unknown ownership size	-	13,458,415	7.3%	50,308
Summa	**17,468**	**183,686,684**	**100.0%**	**686,621**

Share capital history

Year	Event	Quotient value	Increase in no. of shares	Increase in share capital	Total no. of shares	Total share capital
2009	Incorporation	1.00	100,000	100,000.00	100,000	100,000.00
2010	Issue of new shares	1.00	10,870	10,870.00	110,870	110,870.00
2011	Issue of new shares	1.00	14,130	14,130.00	125,000	125,000.00
2012	Issue of new shares	1.00	3,571	3,571.00	128,571	128,571.00
2012	Issue of new shares	1.00	7,143	7,143.00	135,714	135,714.00
2012	Issue of new shares	1.00	7,143	7,143.00	142,857	142,857.00
2013	Issue of new shares	1.00	3,572	3,572.00	146,429	146,429.00
2013	Issue of new shares	1.00	25,001	25,001.00	171,430	171,430.00
2014	Issue of new shares	1.00	12,500	12,500.00	183,930	183,930.00
2014	Bonus issue	2.96	-	360,502.80	183,930	544,432.80
2014	37:1 share split	0.08	6,621,480	-	6,805,410	544,432.80
2014	Debt-for-equity swap	0.08	789,464	63,157.12	7,594.874	607,589.92
2015	Issue	0.08	5,800,000	464,000.00	13,394,874	1,071,589.92
2015	Issue of new shares TO 2010:1	0.08	111,000	8,880.00	13,505,874	1,080,469.92
2016	Issue of new shares TO1/TO3	0.08	4,127,260	330,180.80	17,633,134	1,410,650.72
2016	Issue of new shares 2011/2016	0.08	46,250	3,700.00	17,679,384	1,414,350.72
2016	Issue of new shares TO2/TO4	0.08	3,237,816	259,025.28	20,917,200	1,673,376.00
2017	Issue of new shares	0.08	11,158,308	892,664.64	32,075,508	2,566,040.64
2017	Issue of new shares	0.08	14,865,000	1,189,200.00	46,940,508	3,755,240.64
2018	Issue of new shares	0.08	19,245,303	1,539,624.24	66,185,811	5,294,864.88
2019	Issue of new shares	0.08	6,618,581	529,486.48	72,804,392	5,824,351.36
2020	Issue of new shares	0.08	18,201,097	1,456,087.76	91,005,489	7,280,439.12
2020	Issue of new shares TO 2017/2020	0.08	86,700	6,936.00	91,092,189	7,287,375.12
2020	Issue of new shares	0.08	9,100,548	728,043.84	100,192,737	8,015,418.96
2022	Issue of new shares	0.08	66,795,158	5,343,612.64	166,987,895	13,359,031.60
2023	Issue of new shares	0.08	16,698,789	1,335,903.12	183,686,684	14,694,934.72



FINANCIAL REPORTS

STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Note	1 Jan 2023 -31 Dec 2023	1 Jan 2022 -31 Dec 2022
Operating income			
Net sales		-	-
Other operating income		-	-
Operating expenses	24		
Research and development costs	7, 18	-272,882	-364,686
Administrative costs	6, 7, 18	-14,883	-14,964
Other operating expenses	9	-2,252	-1,899
		-290,017	**-381,549**
Operating profit		**-290,017**	**-381,549**
Financial income and expense			
Interest income and similar items	10, 12	16,362	9,740
Interest expense and similar items	10, 12	-6,372	-4
		9,990	**9,736**
Profit before taxes		**-280,027**	**-371,814**
Tax for the period	11	-	-
Loss for the period*		**-280,027**	**-371,814**
Earnings per share before dilution (SEK)**	20	-1.65	-2.90
Earnings per share after dilution (SEK)**	20	-1.65	-2.90

* No items are reported in other comprehensive income, meaning total comprehensive income is consistent with the loss for the period.
**Based on the average number of shares.

STATEMENT OF FINANCIAL POSITION

SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Intangible assets			
Patent		4,657	5,558
	27	**4,657**	**5,558**
Tangible assets			
Machinery and equipment		4,845	7,395
	26	**4,845**	**7,395**
Total fixed assets		**9,502**	**12,953**
Currents assets			
Other receivables		2,194	2,462
Prepaid expenses and accrued income		17,269	32,714
		19,463	**35,176**
Short-term investments			
Other short-term investments	14	55,000	237,095
		55,000	**237,095**
Cash and bank balances			
Cash and bank balances	15	139,747	189,573
		139,747	**189,573**
Total current assets		**214,210**	**461,845**
TOTAL ASSETS		**223,712**	**474,798**

SEK thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital	16	14,695	13,359
		14,695	**13,359**
Non-restricted equity			
Share premium account		1,676,530	1,623,185
Retained earnings		-1,242,456	-875,046
Loss for the year		-280,027	-371,814
	21	**154,047**	**376,325**
TOTAL EQUITY AND LIABILITIES		**168,742**	**389,684**
Long-term liabilities			
Provision for social security contributions, incentive program	13	119	24
		119	**24**
Short-term liabilities			
Trade payables		23,173	37,910
Tax liabilities		-	342
Other liabilities		802	1,025
Accrued expenses and deferred income	17	30,877	45,813
		54,851	**85,090**
TOTAL EQUITY AND LIABILITIES		**223,712**	**474,798**

STATEMENT OF CHANGES IN EQUITY

SEK thousand		Restriced equity	Non-restricted equity		Total
1 Jan 2023 - 31 Dec 2023	**Note**	**Share capital**	**Share premium account**	**Ret. earnings incl. profit/loss for the year**	**Total equity**
Opening balance, 1 January 2023		**13,359**	**1,623,185**	**-1,246,860**	**389,684**
Loss for the period		-	-	-280,027	-280,027
Transactions with shareholders					
Issue of new shares for the year		1,336	57,945	-	59,281
Capital acquisition cost		-	-4,600	-	-4,600
Employee stock option program	19	-	-	4,405	4,405
		1,336	53,345	4,405	59,085
Closing balance, 31 December 2023		**14,695**	**1,676,530**	**-1 ,522,482**	**168,742**
1 Jan 2022 - 31 Dec 2022					
Opening balance, 1 January 2022		**8,015**	**1,404,595**	**-879,866**	**532,745**
Loss for the period		-	-	-371,814	-371,814
Transactions with shareholders					
Issue of new shares for the year		5,344	245,138	-	250,482
Capital acquisition cost		-	-26,548	-	-26,548
Employee stock option program	19	-	-	4,819	4,819
		5,344	281,590	4,819	228,753
Closing balance, 31 December 2022		**13,359**	**1,623,185**	**-1,246,860**	**389,684**

STATEMENT OF CASH FLOWS

SEK thousand	Note	1 Jan 2023 -31 Dec 2023	1 Jan 2022 -31 Dec 2022
Cash flow from operating activities			
Operating loss		-290,017	-381,549
Adjustments for non-cash items	23	7,951	7,643
Interest received etc.	10	9,929	388
Interest paid etc.	10	-1	-4
Cash flow from operating activities before changes in working capital		**-272,138**	**-373,523**
Changes in working capital			
Changes in receivables		15,713	-3,876
Changes in trade payables		-14,737	3,398
Changes in other current liabilities		-15,501	15,085
		-14 525	**14,607**
Cash flow from operating activities		**-286,663**	**-358,915**
Investing activities			
Acquisition of tangible assets	26	-	-7,089
Increase in other short-term investments	14	-55,000	-31
Decrease in other short-term investments	14	237,095	75,000
		182,095	**67,880**
Financing activities			
Issue of new shares for the year		59,281	250,482
Capital acquisition cost		-4,600	-26,548
		54,681	**223,934**
Change in cash and cash equivalents		-49,888	-67,101
Cash and cash equivalents at beginning of period		189,573	247,322
Exchange rate difference in cash equivalents	10	62	9,352
Cash and cash equivalents at end of period *	15	**139,747**	**189,573**

*The company's cash and cash equivalents consist of cash and disposable balances with banks and other credit institutions.

Notes

NOTE 1 - General information

Cantargia AB (publ), org. nr 556791–6019, is a biotechnology company that develops antibody-based treatments for life-threatening diseases and has established a platform based on the protein IL1RAP, involved in a number of cancer forms and inflammatory diseases. The lead project, the antibody nadunolimab (CAN04), is studied clinically primarily in combination with chemotherapy, focusing on pancreatic cancer, triple-negative breast cancer, and non-small cell lung cancer. Postivie interim data from the combination with chemotherapy indicate stronger efficacy than would be expected with chemotherapy alone. Cantarga's second project, the antibody CAN10, blocks signaling via IL1RAP in a different manner than nadunolimab and addresses treatment of serious autoimmune diseases, with initial focus on myocarditis and systemic sclerosis. CAN10 initiated clinical development in 2023.

Cantargia consists of one legal entity, Cantargia AB, corporate ID number 556791-6019.

Cantargia is listed on Nasdaq Stockholm (ticker: CANTA) since September 2018.

NOTE 2 - Accounting policies and valuation principles

Significant accounting policies applied in preparing this annual report are described in the following. Unless otherwise stated, these policies have been applied consistently for all the annual periods presented. This annual report was adopted by the Board of Directors on 17 April 2024.

2.1 - Basis of preparation of financial statements

Cantargia AB has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board (RFR 2). RFR 2 states that a legal entity is required to apply the International Financial Reporting Standards (IFRS), as adopted by the EU, insofar as this is possible under the Swedish Annual Accounts Act and Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation. The recommendation specifies the exemptions from and the additional disclosures that are required in relation to IFRS.

The preparation of financial statements in compliance with the applied regulations requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the company's accounting policies. Areas which involve a high degree of judgement, are complex or where assumptions and estimates have a material impact are described in Note 4.

2.1.1 - Changes to accounting policies and disclosures

Standards, amendments, and interpretations of existing standards that have entered into force during the financial year. No IFRS or IFRIC interpretations that have not yet become effective are expected to have a material impact on Cantargia.

2.1.2 - Formats

The format prescribed in the Swedish Annual Accounts Act is used for the income statement and balance sheet. The statement of changes in equity is presented in the format prescribed in IAS 1 Presentation of Financial Statements but must contain the columns indicated in the Annual Accounts Act.

2.2 - Segment reporting

Cantargia's chief operating decision maker is the company's Chief Executive Officer (CEO), as it is primarily he who is responsible for the allocation of resources and evaluation of results. The CEO receives reports containing financial information for Cantargia as a whole. Cantargia has not yet commercialized any part of the development projects in which it is engaged and therefore is not yet generating any income. All activities of Cantargia are considered to constitute a single operating segment.

2.3 - Intangible assets

(i) Research and development costs

Cantargia is a research-based biotech company that is engaged in research and development of antibody-based therapy for severe diseases. All expenditure directly attributable to the development and testing of identifiable and unique products which are controlled by Cantargia is accounted for as an intangible asset when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use,
- Cantargia intends to complete the product for use or sale,
- there is reason to expect that the company will be able to use or sell the product,
- it can be shown that the product will generate probable future economic benefits
- adequate technical, economic and other resources are available to complete the development of and use or sell the product, and
- the costs attributable to the product during its development can be reliably measure

The overall risk in ongoing development projects is high. The risk includes safety and efficacy risks that can arise in clinical studies, regulatory risks related to applications and approval for clinical studies and marketing authorization, as well as IP risks related to approval of patent applications and the maintenance of patents. All development work is therefore deemed to be research, as the work does not meet the criteria listed below. As of 31 December 2023 no development costs had been recognized as intangible assets in the balance sheet, as it was not considered that all of the above criteria for capitalization had been met for any of the development projects in which the company is engaged.

Research expenditure is expensed as incurred.

Capitalized development costs are recognized as intangible assets and amortized from the date when the asset is ready for use.

(ii) Patents, licenses, and similar assets

Intangible assets also include patents, licenses, and other similar rights. Acquired such assets are reported at acquisition value and amortized on a straight-line basis over the expected period of utilization, which normally coincides with, for example, the patent's validity period.

2.4 - Impairment of intangible assets

Intangible assets which are not ready for use (capitalized development costs) are not amortized but are tested annually for impairment. However, no capitalized development costs are currently recognized in Cantargia's balance sheet.

2.5 - Leases

Cantargia is a lessee only under operating leases, of which rental of office premises is the most significant. Leases in which a significant share of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made during the lease term (after deducting for any incentives from the lessor) are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term

2.6 - Foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rates applying at the transaction date or the date when the items were restated. Foreign exchange gains and losses are recognized in the statement of comprehensive income in other operating expenses (foreign exchange differences trade payables) and in net financial income/expense (foreign exchange differences currency accounts).

2.7 - Financial assets and liabilities

Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the contractual terms and conditions of the instrument. A financial asset is derecognized in the balance sheet when the contractual right to the cash flow from the asset expires or is settled. The same applies when the risks and benefits of ownership of the asset have essentially been transferred to another party and the company no longer has control over the financial asset. A financial liability is derecognized in the balance sheet when the contractual obligation is fulfilled or extinguished.

Measurement of financial instruments

Cantargia applies the exemption in RFR 2 under which IFRS 9 Financial Instruments is not applied. Instead, cost is applied in accordance with the Annual Accounts Act.

Financial assets are initially measured at cost including any transaction costs directly attributable to the acquisition of the asset. After initial recognition, current financial assets are measured at the lower of cost and net realizable value at the balance sheet date.

Trade receivables and other receivables classified as current assets are measured individually at the amounts expected to be paid.

Interest-bearing financial assets are measured at amortized cost using the effective interest method.

Measurement of financial liabilities

Short-term trade payables are recognized at cost.

2.8 - Employee benefits

Retirement benefit obligations

Cantargia has both defined contribution and defined benefit pension plans. Defined contribution pension plans are postemployment benefit plans under which the company pays fixed contributions into a separate legal entity. Cantargia has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognized as personnel expenses when they fall due.

Cantargia's defined benefit pension plans consist of the ITP 2 plan's defined benefit pension obligations. The ITP 2 plan's defined benefit pension obligations for retirement and family pensions are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Recognition of the ITP 2 Plan that is funded through an insurance policy with Alecta, this is a defined benefit plan covering several employers. For the financial year

2023, Cantargia has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets, and expenses. It has therefore not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan secured through an insurance policy with Alecta is therefore accounted for as a defined contribution plan. The contribution for defined benefit retirement and family pensions is calculated individually and depends on factors such as salary, previously earned pension and expected remaining period of service.

The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio should normally be permitted to vary within a range of 125 and 175 per cent. If Alecta's collective funding ratio were to fall below 125 per cent or exceed 175 per cent, it would be necessary to take measures that will enable the ratio return to the normal range. In case of a low funding ratio, one measure that can be taken is to raise the agreed price for new policies and the expansion of existing benefits. If the funding ratio is high, contributions can be reduced. At the end of the financial year 2023, Alecta's surplus, as defined by the collective funding ratio, was 158 per cent (2022: 172 per cent).

Short-term benefits

Short-term benefits are employee benefits which are payable within twelve months of the balance sheet date in the year in which the employee earned the benefit, with the exception of post-employment benefits and termination benefits.

Short-term benefits include

1. salaries, social security contributions and other payroll costs,
2. paid short-term leave such as paid holiday and paid sick leave,
3. bonuses, and
4. non-monetary benefits such as health care for current employees

Accounting treatment - paid short-term leave

Short-term benefits for paid leave that can be saved should be accounted for as an expense and current liability when the employees have performed the services which entitle them to future paid leave. Short-term benefits for paid leave that are not saved should be recognized as an expense when the leave is taken

Accounting treatment - bonus plans

The expected expense for profit sharing and bonuses should be recognized only if

1. the company has a legal or constructive obligation as a result of past events, and
2. the amount of the obligation can be reliably estimated.

Termination benefits

Termination benefits are paid when an employee's employment has been terminated by the company before the normal time of retirement or when an employee accepts voluntary redundancy in exchange for such compensation. Cantargia recognizes termination benefits at the earliest of the following: (a) when the company can no longer withdraw the offer of such benefits; and (b) when the company recognizes restructuring costs provided for under IAS 37 which involve the payment of severance pay. If the company has made an offer to encourage voluntary redundancy, termination benefits are calculated based on the number of employees that are expected to accept the offer. Benefits expiring more than 12 months after the end of the reporting period are discounted to present value.

2.9 - Tax

The tax on the profit for the year in the income statement consists of current tax and deferred tax. Current tax is calculated on the taxable profit for the period at the applicable tax rate. The actual tax expense is calculated based on the tax rules that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. However, deferred tax attributable to untaxed reserves is accounted for separately, as untaxed reserves are recognized as a separate item in the balance sheet. Deferred tax liabilities are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be wholly or partially offset.

Deferred tax is calculated using tax rates (and laws) which have been adopted or announced at the balance sheet date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled. As the company is not generating any profit, the deferred tax asset on tax losses arising from tax losses presented in Note 11 has not been assigned any value.

2.10 - Revenue

Interest income

Interest income is recognized using the effective interest method.

2.11 - Cash and cash equivalents and statement of cash flows

The statement of cash flows is prepared using the indirect method. The reported cash flow only includes transactions involving incoming or outgoing payments. The company classifies cash, available deposits with banks and other credit institutions as cash and cash equivalents.

2.12 - Share capital

Ordinary shares are classified as equity.

Transaction costs which are directly attributable to the issuance of new shares or options are recognized, net of tax, in equity less a deduction from the proceeds of the issue.

2.13 - Earnings per share

(i) Earnings before dilution

Earnings per share before dilution are calculated by dividing:

- Profit/loss for the year
- with a weighted average number of outstanding ordinary shares during the period

(ii) Earnings per share after dilution

To calculate earnings per share after dilution, the amounts used in calculating earnings per share before dilution are adjusted by taking into account:

- the weighted average of those additional ordinary shares that would have been outstanding on the conversion of all potential ordinary shares. .

2.14 - Tangible Assets

Tangible assets consist of furniture, work machinery and production equipment. These are reported at historical cost minus cumulative depreciation and any impairments. The historical cost includes the purchase price and any expenses directly attributable to the asset for putting it in place and making it fit for its intended purpose.

Depreciation of tangible assets is posted to expenses in such a way that the value of the asset minus its estimated residual value at the end of its service life is written down on a linear basis over its expected service life, estimated at:

- Machinery and other technical facilities, 3-5 years
- Fixtures, tools and installations, 3-5 years

Estimated service lives, residual values and depreciation methods are reviewed at least at the end of each accounting period, and the effects of any changes in estimates are reported in advance.

The reported value of a tangible asset is removed from the statement of financial position when it is scrapped or sold, or when no future economic benefits are expected from using or scrapping/disposing of the asset. The gain or loss made from scrapping or disposing of the asset is the difference between any net income from the disposal and its reported value, posted to the income statement in the period in which the asset is removed from the statement of financial position.

2.15 - Employee stock option program

The fair value of the service entitling an employee to an allotment of options under Cantargia's employee stock option scheme is recognized as a personnel expense with a corresponding increase in equity. The total amount expensed is based on the fair value of the allocated options:

- including all market-related terms (e.g., target share price),
- excluding any effect of service and non-market vesting conditions (e.g., profitability and that the employee remain an employee of the company for a specified period),
- including the effect of non-vesting conditions (e.g., a requirement that the employee save or hold the shares for a specified period).

The total expense is recognized over the vesting period, which is the period during which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the company reviews its assessments of how many shares are expected to be vested based on the non-market vesting conditions and service vesting conditions. Any deviations from the original assessments resulting from the review are recognized in the income statement with corresponding adjustments in equity.

As a basis for provisions for social security contributions, the fair value of vested employee stock options is remeasured at the end of each reporting period. Social security contributions are accounted for as personnel expenses and a corresponding provision is made in non-current or current liabilities depending on the remaining term of each scheme.

NOTE 3 - Financial risk management

Through its activities, Cantargia is exposed to a wide range of financial risks: market risk (mainly currency risk), credit risk and liquidity risk. Cantargia's overall risk management policy focuses on the unpredictability of financial markets and strives to minimize potential adverse effects on Cantargia's financial results

(a) Market risk

(i) Currency risk

Cantargia is primarily exposed to EUR and USD currency risk. Currency risks arise when future business transactions or recognized assets or liabilities are expressed in a currency that is not the functional currency of the unit. In Cantargia, these transactions mainly comprise purchases and trade payables in EUR and USD. Cantargia's policy is to hedge 50% of the anticipated cash flow in EUR and USD.

At the end of the reporting period, Cantargia had an exposure to EUR of kEUR 1,404 (2,470) and kUSD 3 (131) in the form of outstanding trade payables. If the Swedish krona had weakened/strengthened by 10 per cent against the EUR and USD with all other variables held constant, the effect on profit/loss for the year and equity on 31 December 2023 would have been approximately SEK -19.3 million and SEK 19.3 million (-22,9 and 22.9, respectively) lower/higher.

In addition to trade payables in EUR and USD, the company have EUR and USD currency accounts which on 31 December 2023 had a balance of kEUR 6,304 (7,156) and kUSD 692 (2,790). If the Swedish krona had weakende/strenghened by 10 per cent against the EUR and USD with all other variable held constant, the effect on profit/loss for the year and equity on 31 December 2023 would have been approximately SEK -8.0 million and SEK 8.0 million (-10.4 and 10.4 respectivly) lower/higher.

(ii) Cash flow interest rate risk and fair value

The interest rate risk is considered to be limited as there is no borrowing and the interest-bearing investments only include low-risk funds. kSEK 0 (237,095) refers to investments in fixed income funds, where the return is dependent on short-term interest rates.

(iii) Price risk

Cantargia is not exposed to any significant price risk.

(b) Credit risk

Credit risk in Cantargia arises through deposits and investments with banks and financial institutions. All bank deposits and investments are held with counterparties with low credit risk. Cantargia is not exposed to any significant credit risk, as all counterparties are large, well-known banks.

(c) Liquidity risk

Since starting its operations, Cantargia has been reporting an operating loss and cash flow is expected to remain mainly negative until Cantargia succeeds in generating revenue from a launched product. The company's planned preclinical and clinical studies will require significant costs and the company's development of its product candidate could prove to be more time- and cost-consuming than planned. Cantargia will also continue to need significant capital for research and development in order to conduct preclinical and clinical studies with nadunolimab and for its continued research and development of CAN10 and CANxx. Access to and the terms and conditions for further financing are affected by several factors, such as the possibility of concluding partnership agreements and general access to risk capital. If Cantargia, wholly or partly, were to fail to acquire sufficient capital, or succeed in doing so only on unfavorable terms, this could have a significant negative impact on the company's operations, financial position and results.

Cantargia uses rolling forecasts to ensure that the company has sufficient cash assets to meet its operational requirements. This monitoring takes the form of reporting to the Board, whereby outcomes and forecasts are compared with the three-year business plan that is produced and approved by the Board each year.

Surplus liquidity in Cantargia, in excess of what is required to manage working capital requirements, is invested in interest-bearing current accounts. At the balance sheet date, Cantargia had short-term investments in twelve month fixed-rate accounts of kSEK 55,000 (0) and kSEK 0 (237,095) invested in a short-term fixed income fund. In addition to this, Cantargia had bank deposits of kSEK 139,747 (189,573) at the balance sheet date.

The following table shows an analysis of Cantargia's financial liabilities by remaining maturity from the balance sheet date. The amounts indicated in the table are the contractual, undiscounted cash flows.

31 December 2023	Less than 2 months	More than 2 months	Total
Trade payables	23,173	-	23,173
Other liabilities	802	-	802
Total	**23,975**	**-**	**23,975**

31 December 2022	Less than 2 months	More than 2 months	Total
Trade payables	37,910	-	37,910
Other liabilities	1,025	-	1,025
Total	**38,935**	**-**	**38,935**

(d) Management of capital

To maintain or adjust its capital structure, Cantargia can choose to return capital to the shareholders, issue new shares or sell assets to reduce its liabilities.

In 2023, Cantargia's strategy, which remained unchanged from 2022, was to secure the company's ability to continue as a going concern by running the company's research projects in an optimal manner and thereby generate returns for its shareholders and benefits for other stakeholders. Cantargia also aims to maintain an optimal capital structure in order to keep its capital costs down with a low to minimal risk. Cantargia is mainly engaged in research and development. Prior to the listing of the company's shares on the main list of Nasdaq Stockholm on 25 September 2018, the company's activities were financed through a number of share offerings. Equity is therefore regarded as the company's capital.

NOTE 4 - Critical accounting estimates and judgements

The preparation of financial statements and application of accounting policies are often based on judgements, estimates and assumptions made by management that are deemed reasonable at the time when they are made. The estimates and assumptions applied are based on historical experience and other factors which are deemed reasonable under current circumstances. The results of these are then used to determine carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Any changes are recognized in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

Capitalization of development costs

The most critical judgement in Cantargia's financial reporting refers to the date of capitalization of development costs. Based on the accounting policies that are presented in Note 2, all development activities in which Cantargia is engaged are currently classified as research, for which costs should not be capitalized. The achievement of positive results in phase III clinical trials is the earliest point at which the criteria for capitalization can be considered to be met.

Tax losses

There is no expiration date which limits the use of the company's tax losses. It is, however, uncertain at what point in time it will be possible to use these tax losses to offset taxable profits, as the company has not yet generated any profits. The deferred tax asset arising from the tax loss has therefore not been assigned any value. Changes in ownership and historical and potential future capital acquisitions may limit the amount of tax losses that can be used in future.

Incentive program (employee stock option program)

The company has an incentive program in the form of an employee stock option program. The accounting principles for this are described in Note 2. The cost of remuneration reported in a period depends on the original valuation made at the time of the agreement with the option holder, the number of months the participant must serve to be entitled to his options (accrual over this time), the number of options expected to be earned by the participants according to the terms of the plans and a continuous revaluation of the value of the tax benefit for the participants in the plans (as a basis for allocation for social costs). The estimates that affect the cost in a period and the corresponding increase in equity are primarily input data in the valuations of the options. The models used for this purpose are the Black & Scholes model and Monte Carlo simulation. Important assumptions in these valuations are set out in Note 19. In addition to the valuations, the cost is affected for a period by an estimate of the number of people who are expected to earn their options. Through mainly the history of staff turnover, the company management has a very good basis for estimating the number of participants who will complete the program.

The Invasion of Ukraine

The invasion of Ukraine has negatively affected large parts of our world, both from a humanitarian and a business perspective. However, Cantargia does not have any operation in Russia or Ukraine, and therefore the invasion has not had any impact on our financial reporting.

NOTE 5 - Segment information

Cantargia's chief operating decision maker is the company's Chief Executive Officer (CEO), as it is primarily he who is responsible for the allocation of resources and the evaluation of results. The CEO receives reports containing financial information for Cantargia as a whole. Cantargia has not yet commercialised any part of the development projects in which it is engaged and therefore is not yet generating any income. All activities of Cantargia are considered to constitute a single operating segment.

NOTE 6 - Auditors' fees and expenses

Expensed audit fees for the financial year and expensed fees for other services provided by the company's auditors are presented in the following.

	2023	2022
PwC		
Audit engagement*	375	270
Audit services in addition to audit engagement	0	60
Tax advisory services	97	30
Other services	121	127
Total	**593**	**487**

* Audit engagement refers to fees for the statutory audit, i.e. work that has been necessary to produce the auditor's report.

NOTE 7 - Employee benefits, etc.

Salaries and other benefits and social security contributions (employees)	2023	2022
Salaries and other benefits*	26,257	31,300
Social security contributions **	4,825	5,095
Retirement benefit costs, defined contribution	5,898	6,425
Other personnel expenses	576	498
Total employee benefits	**37,557**	**43,317**

* Whereof share-based incentives 4,404 (4,819)
** Whereof share-based incentives 95 (-868)

2023	Salaries and other benefits (of which bonuses)	Retirement benefit costs
Directors, CEO and other senior executives	19,114	3,481
Other employees	13,316	2,417
Total	**32,430** (2,964)	**5,898**

2022	Salaries and other benefits (of which bonuses)	Retirement benefit costs
Directors, CEO and other senior executives	19,891	3,375
Other employees	14,454	3,350
Total	**34,345** (2,818)	**6,725**

Average number of employees	2023		2022	
	Number of employees	Of which men	Number of employees	Of which men
Sweden	24	10	27	11
Total	**24**	**10**	**27**	**11**

Gender distribution for Directors and other senior executives	2023		2022	
	Number at balance sheet day	Of which men	Number at balance sheet day	Of which men
Directors	5	4	8	5
CEO and other senior executives	7	5	8	5
Total	**12**	**9**	**16**	**10**

NOTE 8 - Operating leases

	2023	2022
Lease payments expensed during the financial year	2,429	2,035

The distribution of the nominal value of future minimum lease payments under non-cancellable leases is as follows:

	2023	2022
Due within one year	3,467	2,130
Due after more than one year but within five years	3,099	4,494
Due after more than five years	-	-
Total	**6,566**	**6,624**

Lease expenses refer to rent for premises and office equipment.

NOTE 9 - Other operating expenses

	2023	2022
Foreign exchange losses, trade payable	-2,252	-1,899
Total	**-2,252**	**-1,899**

NOTE 10 - Financial income and expense

	2023	2022
Interest income and similar income		
Interest income	4,265	388
Profit on sale of short-term investments	5,664	-
Foreign exchange gains, currency accounts	6 433	9,352
Total	**16,362**	**9,740**

	2023	2022
Interest expense and similar charges		
Other interest expense	-1	-4
Currency exchange losses, currency accounts	-6,372	-
Total	**-6 ,372**	**-4**

NOTE 11 - Income tax

	2023	2022
Current tax		
Current tax on profit for the year	-	-
Adjustments relating to prior year	-	-
Total current tax/income tax	**-**	**-**

The difference between the reported tax expense and the applicable tax rate is explained by the following table.

	2023	2022
Reconciliation of reported tax for the year		
Loss before tax	-280,027	-371,814
Reported tax for the year		
Tax at applicable tax rate 20,6%	57,686	76,594
Tax effect of non-deductible expenses	-178	-171
Tax effect of non-taxable income	-	-
Tax effect of deductible expenses recognised directly in equity	948	5,469
Tax losses for which no deferred tax asset has been recognised	-58,455	-81,892
Reported tax for the year	**0**	**0**

	2023	2022
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	1,664,031	1,380,267
Potential tax benefit, 20,6%	342,790	284,335

There is no expiration date which limits the use of the tax losses. It is, however, uncertain at what point in time it will be possible to use these tax losses to offset taxable profits. The deferred tax asset arising from the tax loss has therefore not been assigned any value.

NOTE 12 - Net foreign exchange difference

Foreign exchange differences have been recognised in the statement of comprehensive income as follows:	2023	2022
Other operating expenses (Note 9)	-2,252	-1,899
Interest expense and similar charges (Note 10)	62	9,352
Total	**-2,190**	**7,453**

NOTE 13 - Long-term liabilities

	31 Dec 2023	31 Dec 2022
Provision for social security contributions, incentive program	119	24
Total	**119**	**24**

NOTE 14 - Short-term investments

	31 Dec 2023	31 Dec 2022
Fixed-rate account, Sparbanken Skåne & SBAB	55,000	-
Liquidity funds, Sparbanken Skåne	-	237,095
Total	**55,000**	**237,095**

Fixed rate account Sparbanken Skåne, 31 Dec 2023, 40 MSEK fixed 6 months, 3.65% interest.
Fixed rate accounts SBAB, 31 Dec 2023, 15 MSEK fixed 6 månader, 4.20% interest.

NOTE 15 - Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include the following:	31 Dec 2023	31 Dec 2022
Available bank deposits		
SEK	60,604	80,116
EUR	69,951	79,656
USD	6,948	29,122
GBP	1,616	445
CHF	2	34
NOK	24	200
DKK	601	-
Total	**139,747**	**189,573**

NOTE 16 - Share capital

Ordinary shares	Number of shares (thousands)	Share capital
1 January 2022	100,193	8,015
Issue of new shares	66,795	5,344
31 December 2022	**166,988**	**13,359**
1 January 2023	166,988	13,359
Issue of new shares	16,699	1,336
31 December 2023	**183,687**	**14,695**

At 31 December 2023, the share capital consisted of 183,686,684 shares with a quotient value of SEK 0.08 per share. Each share carries one vote. At 31 December 2022, the share capital consisted of 166,987,895 shares with a quotient value of SEK 0.08 per share. Each share carries one vote. All shares issued by the parent company are fully paid up.

NOTE 17 - Accrued expenses and deferred income

	31 Dec 2023	31 Dec 2022
Accrued salaries and social security contributions	1,811	2,011
Project expenses	24,129	38,204
Other accrued expenses	4,936	5,598
Total	**30,877**	**45,813**

NOTE 18 - Remuneration to senior executives and other related party disclosure

Remuneration of senior executives	**2023**	**2022**
Salaries and other short-term benefits*	16,894	16,846
Post-employment benefits	3,481	3,375
Other long-term benefits	-	-
Termination benefits	-	-
Total	**20,374**	**20,222**

* Whereof share-based incentives 2,964 (2,575)

Guidelines for executive remuneration

Fees are paid to the Chairman and members of the Board of Directors in accordance with the resolution of the Annual General Meeting. A separate fee is paid for committee work. In essence, the guidelines for remuneration and other terms of employment for management, which are adopted by the shareholders' meeting, stipulate that the company shall offer its senior executives a normal market remuneration, that resolutions on remuneration shall be prepared by a special Remuneration Committee of the Board and that the applicable criteria shall comprise the senior executive's responsibilities, role, expertise and position. Decisions on remuneration of senior executives are made by the Board excluding any Directors who are in a dependent position in relation to the company and management. The guidelines must be applied to new contracts, or to changes to existing contracts that are entered into with senior executives after the adoption of the guidelines and until new or revised guidelines are adopted. Complete guidelines for 2023 are described in the Director's report.

Salaries and remuneration for the year

Salaries, remuneration, social security contributions and retirement benefit costs have been paid in the following amounts. Please note that under the heading "Variable remuneration" are in addition to variable remuneration, incentive programs decided by the Annual General Meeting also included (see Note 19). The outcome for AGM-decided incentive programs regarding the CEO and senior executives for the year 2023 amounted to SEK 519 (762) thousand.

Directors' fees

The Directors' fees approved at the Annual General Meeting on 23 May 2023 are SEK 575,000 to the Chairman of the Board and SEK 260,000 to each of the other Directors. For the Remuneration Committee, a fee of SEK 50,000 is paid to the committee chairman and SEK 25,000 to each of the other members, for the Audit Committee SEK 100,000 is paid to the committee chairman and SEK 50,000 to each of the other members and for the Drug Development Committee SEK 250,000 is paid to the committee chairman and SEK 50,000 to each of the other members. It was also resolved that, for each physical Board meeting (up to a maximum of six meetings) that is held in Sweden and attended by the Director, a meeting fee of SEK 20,000 be paid to each Director living outside the Nordic region. The full amount of Directors' fees has been charged to earnings in 2023 and is specified on the next page.

2023	Fee	Basic salary	Variable remuneration	Retirement benefit cost	Other benefits	Share-based incentives	Social sec contributions*	Total
Magnus Persson, Chairman	650	-	-	-	-	-	204	**854**
Anders Martin-Löf, Director	360	-	-	-	-	-	113	**473**
Flavia Borellini, Director	550	-	-	-	-	-	-	**550**
Damian Marron, Director	350	-	-	-	-	-	-	**350**
Magnus Nilsson, Director	310	-	-	-	-	-	32	**342**
Göran Forsberg, CEO	-	2,378	635	972	24	1,017	378	**5,403**
Total, Board and CEO	**2,220**	**2,378**	**635**	**972**	**24**	**1,017**	**727**	**7,972**
Other senior executives*	-	9,076	1,373	2,509	127	2,415	1,114	**16,614**
Total	**2,220**	**11,454**	**2,008**	**3,481**	**151**	**3,432**	**1,841**	**24,586**

*Contains invoiced compensation for a senior executive.

2022	Fee	Basic salary	Variable remuneration	Retirement benefit cost	Other benefits	Share-based incentives	Social sec contributions*	Total
Magnus Persson, Chairman	620	-	-	-	-	-	195	**815**
Thoas Fioretos, Director	270	-	-	-	-	-	85	**355**
Karin Leandersson, Director	290	-	-	-	-	-	91	**381**
Patricia Delaite, Director	340	-	-	-	-	-	47	**387**
Anders Martin-Löf, Director	345	-	-	-	-	-	108	**453**
Flavia Borellini, Director	520	-	-	-	-	-	-	**520**
Damian Marron, Director	330	-	-	-	-	-	-	**330**
Magnus Nilsson, Director	330	-	-	-	-	-	-	**330**
Göran Forsberg, CEO	-	2,285	645	932	23	1,008	175	**5,069**
Total, Board and CEO	**3,045**	**2,285**	**645**	**932**	**23**	**1,008**	**702**	**8,640**
Other senior executives**	-	10,037	1,305	2,444	122	1,566	908	**16,382**
Total	**3,045**	**12,321**	**1,950**	**3,375**	**145**	**2,575**	**1,610**	**25,022**

* Social security contributions for the CEO and other senior executives has been affected positivly in 2022 as the reserve for social secutiry contribution related to the employee option program has decreased under 2022, due to a falling share price. The positive effect amounts to SEK 171 thousand for the CEO and SEK 468 thousand for other senior executives.
** Contains invoiced compensation for a senior executive.

Pensions
The retirement age for the CEO is 65 years.

The pension contribution for the CEO is 35 per cent of the pensionable salary. Pensionable salary refers to the fixed monthly salary multiplied by 12.2.

For other employed senior executives, the retirement age is currently 65 years, in accordance with the applicable ITP Agreement. The pension contribution is calculated in accordance with Section 2 of the ITP Agreement and its contribution tariffs, which are determined by Alecta.

Term of notice and severance pay
The term of notice in case of termination by Cantargia shall be no more than six months for the Chief Executive Officer and no more than six months for other senior executives. The term of notice in case of termination by the employee shall be at least six months for the CEO and at least three months for other senior executives. In addition to the term of notice, severance pay may be paid to the CEO up to a maximum of twelve months' salary and employment benefits.

Related party disclosures
Related parties comprise senior executives of the company, i.e. the Board of Directors and management team and their family members.

Cantargia previously entered a research agreement with Lund University, with Gunilla Westergren-Thorsson, Professor of Lung Biology. Under the agreement, Gunilla Westergren-Thorsson, who is a related party of an insider at Cantargia, would conduct a project aimed at expanding knowledge about IL1RAP as part of her employment at Lund University. Under the agreement, Cantargia has the right to use and, if applicable, take ownership of all research results from the projects free of charge. The agreement did not result in any costs during 2023.

Cantargia has also been co-financing a postdoctoral position as part of Lund University's CANFASTER programme where Professor Karin Leandersson is Head of Research. Under the agreement, Karin Leandersson is conducting research aimed at expanding the knowledge about IL1RAP's function in tumors. Cantargia owns the right to research results and IP arising from the project. Karin Leandersson was a member of Cantargia's Board of Directors until the AGM in 2023 and was therefore considered as an insider at Cantargia. The CANFASTER programme centres on collaborations between industry and universities and is funded in equal parts by both parties.

The company considers that the above agreements have been concluded on market terms.

The following transactions have been made with related parties:

Sale of services	2023	2022
Lunds Universitet (Gunilla Westergren-Thorsson)	0	650
Lunds Universitet (Karin Leandersson)	519	651
Total	**519**	**1,301**

NOTE 19 - Share-based incentive programs

Cantargia's incentive program aims to create a long-term commitment to the company, create opportunities to attract and retain expertise and deliver long-term shareholder value.

Incentive scheme
At the Annual General Meeting of the Company on May 23, 2023, the shareholders decided to introduce a variable share-based incentive scheme for 2023 to senior executives and key employees of the Company. The scheme is based on the incentive scheme adopted at the 2019 Annual General Meeting which has been designed to promote investment in and ownership of the Company's shares. The scheme is designed as a variable long-term remuneration scheme under which participants commit to use distributed variable cash remuneration to acquire shares of the Company. The scheme is based on that or those annual bonus targets which are defined by the board for the Company and which refer to the Company's activities, financial key performance indicators and internal processes. Target achievement will be assessed by the Company's board of directors in connection with the adoption of the annual report for each year. When the target achievement has been determined by the Company's board of directors, the amount due to each participant in the scheme is distributed, whereupon acquisition of shares by the participants should be made as soon as possible. Participants are required to use their whole remuneration under the scheme, net of tax, to acquire shares of Cantargia on the stock market.

The maximum payout to each participant in the scheme for 2023 is capped at 10 per cent of his or her fixed annual salary. The total size of the scheme for 2023 is capped at SEK 2,200,000 excluding social security contributions. In case of partial target achievement, a portion of the maximum payout will be distributed. The outcome for incentive programs decided by the AGM regarding the CEO and senior executives for the year 2023 amounted to SEK 519 (762) thousand and the total outcome for all employees amounted to SEK 718 (1,481) thousand.

Employee Stock Option Scheme 2020/2023

At the Annual General Meeting on 27 May 2020, the shareholders approved the introduction of Employee Stock Option Scheme 2020/2023. The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period (1/3 per year) from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period. Each vested option gives the holder the right to purchase 1.2 shares of the company at a pre-defined price. The price per share will be determined as 150 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date. If fully exercised, the warrants would dilute the Company's share capital and voting rights by approximately 1.1 per cent.

Employee Stock Option Scheme 2021/2024

At the Annual General Meeting on 26 May 2021, the shareholders approved the introduction of Employee Stock Option Scheme 2021/2024. The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period. Each vested option gives the holder the right to purchase 1.2 shares of the company at a pre-defined price. The price per share will be determined as 150 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date. If fully exercised, the warrants would dilute the Company's share capital and voting rights by approximately 1.5 per cent.

Employee Stock Option Scheme 2023/2026

At the Annual General Meeting on 23 May 2023, the shareholders approved the introduction of Employee Stock Option Scheme 2023/2026. The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period. Each vested option gives the holder the right to purchase 1 shares of the company at a pre-defined price. The price per share will be determined as 130 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date. If fully exercised, the warrants would dilute the Company's share capital and voting rights by approximately 1.6 per cent.

Summary of total cost for incentive programs

	2023	2022
Share-based remuneration	-4,405	-4,819
Provision for social security contributions, incentive programs	-95	868
Total	**-4,499**	**-3,951**

Summary of provisions for social security contributions for share-based remuneration*

Long-term liabilities	**2023**	**2022**
Amount at the start of the year	24	892
Provisions for the year	95	-868
Total long-term liabilities	**119**	**24**

* All provisions have a term of more than 1 year, which is why all provisions are long-term.

Changes in existing incentive programs (number of options)	2023	2022
1 January	**3,069,333**	**3,170,333**
Granted instruments		
Employee stock option program 2020/2023	-	-
Employee stock option program 2021/2024	1,406,000	260,000
Employee stock option program 2023/2026	-	-
Lapsed instruments		
Employee stock option program 2020/2023	-369,000	-110,000
Employee stock option program 2021/2024	-9,000	-251,000
Employee stock option program 2023/2026	-	-
Total change	**1,028,000**	**-101,000**
31 December	**4,097,333**	**3,069,333**

Number of shares granted instruments may entitle to*	2023-12-31	2022-12-31
Employee stock option program 2020/2023	2,827,200	2,100,400
Employee stock option program 2021/2024	2,089,600	1,582,800
Total number of shares granted instruments may entitle to	**4,916,800**	**3,683,200**

* Recalculation of employee stock option programs after the rights issue in 2022 means that each option in employee option program 2021/2023 and 2021/2024 entitles to 1.2 share. Each option in employee option program 2023/2026 entitles to 1.0 share.

Calculation of fair value of employee option programs
The fair value on the allotment date was calculated using an adapted version of the Black & Scholes valuation model, which takes into consideration the exercise price, the term of the options, share price on the allotment date, expected volatility in the share price, and risk-free interest for the term of the options.

Employee option	Allotment/ start date	Maturity date	Fair value upon issue of the option program, SEK	Exercise price, SEK**	Volatility %	Number of options*	Vested
2020/2023:1	2020-06-09	2025-06-09	7.15	26.48	50%	1,583,333	100%
2020/2023:2	2020-07-10	2025-07-10	7.44	27.68	50%	60,000	100%
2020/2023:3	2021-02-04	2026-02-04	16.55	73.12	49%	71,333	99%
2020/2023:4	2021-02-24	2026-02-24	15.57	70.99	49%	26,667	100%
2021/2024:1	2021-09-17	2026-09-17	7.28	30.62	53%	975,000	76%
2021/2024:2	2021-11-10	2026-11-10	5.48	20.44	55%	30,000	71%
2021/2024:3	2022-02-09	2027-02-09	7.57	22.52	55%	70,000	63%
2021/2024:4	2022-08-29	2027-08-29	1.63	7.20	63%	0	45%
2021/2024:5	2023-02-22	2028-02-22	4.30	7.63	72%	1,256,000	28%
2021/2024:6	2023-04-24	2028-04-24	2.98	10.50	73%	25,000	23%

*Refers to the number of outstanding options net after deduction of revoked options.
** Recalculation of employee stock option programs after the rights issue in 2022 means that each option in employee option program 2021/2023 and 2021/2024 entitles to 1.2 share. Each option in employee option program 2023/2026 entitles to 1.0 share.

NOTE 20 - Earnings per share

Earnings per share are calculated by dividing the profit/loss for the year by a weighted average number of outstanding ordinary shares during the period.

Cantargia has potential ordinary shares in the form of warrants. These do not have a dilutive effect for 2023 or 2022, as a conversion of warrants into ordinary shares would result in a lower loss per share.

	2023	2022
Profit/loss for the period attributable to parent company shareholders	-280,027	-371,814
Total	**-280,027**	**-371,814**
Weighted average number of outstanding ordinary shares (thousands)	169,771	128,024
Earnings per ordinary share, SEK	-1.65	-2.90

NOTE 21 - Appropriation of retained earnings

The Annual General Meeting is asked to decide on the appropriation of the following earnings (SEK)

Loss brought forward	- 1,242,455,507
Share premium account	1,676,529,714
Loss for the year	-280,027,215
The Board of Directors proposes that the following sum be carried forward:	154,046,992

The Board of Directors proposes that no dividend be paid for the financial year 2023.

NOTE 22 - Events after the end of the reporting period

- The initial results from the ongoing clinical phase I study of CAN10 indicate that the antibody binds to the target IL1RAP and demonstrates good safety. The study is proceeding as planned.
- New clinical and preclinical findings show that nadunolimab can reduce neuropathy, which is a serious side effect of treatment with chemotherapy and antibody drug conjugates (ADCs).
- Regulatory approval was obatained in the US to inititate the pahse IIb study with nadunolimab in pancreatic cancer.
- New data were reported highlighting how nadunolimab can induce anti-tumor activity in pancreatic cancer by blocking the onset of fibrosis. THe data will be presented at the American Association for Cancer Research (AACR) 2024.
- In March, progress was reported towards the start of the DoD-sponsored clinical trial of nadunolimab in leukemia.
- In April, three scientific articles were published on CAN10 within atherosclerosis, systemic sclerosis, and the antibody's mechanism of action.

NOTE 23 - Adjustments for non-cash items

	2023	2022
Depreciation	-3,451	-3,692
Employee option program	-4,499	-3,951
Total	**-7,951**	**-7,643**

NOTE 24 - Costs by nature of expense

	2023	2022
Project costs	-220,479	-306,691
Other external expenses	-26,278	-25,951
Personnel expenses	-37,557	-43,317
Other operating expenses	-2,252	-1,899
Depreciation	-3,451	-3,692
Total	**-290,017**	**-381,549**

As of the year-end report 2018, operating expenses are presented based on a classification into the functions "Research and development costs, "Administrative expenses" and "Other operating expenses". On a "by nature" basis, the sum of expenses by function is distributed as follows.

NOTE 25 - Agreements for cooperation

BioWa Inc.
Cantargia signed a licensing agreement with BioWa Inc. ("BioWa") in 2015. Under the agreement, Cantargia is granted a nonexclusive license to use the technology platform POTELLIGENT® for the manufacture of the drug candidate nadunolimab. For the license, Cantargia pays an annual fixed fee and step-by-step sales-based royalties. In addition, BioWa also has the right to milestone payments when fulfilling certain clinical, regulatory, and commercial targets.

Patheon Biologics B.V. (en del av ThermoFischer Scientific)
In May 2019, Cantargia signed an agreement with Patheon Biologics B.V. ("Patheon") on future production of the antibody CAN04 (nadunolimab). This agreement complements the earlier agreement with Celonic AG (previous Glycotope Biotechnology GmbH). This agreement secures Cantargia's additional production capacity for future clinical trials. In preparation for later phases of clinical development, an increase in production capacity is part of the development plan. Patheon has manufacturing facilities in both Europe and the US, and the process is scaled up the to 2,000 liters. Patheon is under the agreement entitled to compensation for ongoing work, but no part of future sales revenue for nadunolimab.

GEICAM

GEICAM is a non-profit organization founded in 1995 with the aim of being a driving force in the development of breast cancer research in Spain. In 2021, Cantargia initiated the clinical study TRIFOUR, which is conducted at around 20 hospitals in Spain in collaboration with GEICAM. The treatment in the phase I part commenced in early 2022 and was concluded in February 2023. Currently, the randomized pahse II part of the study is ongoing.

NOTE 26 - Tangible assets

Machinery and other technical facilities	**2023**	**2022**
Ingoing accumulated acquisition value	14,143	7,070
Investments	0	7,072
Outgoing accumulated acquisition value	**14,143**	**14,143**
Ingoing accumulated depreciation	-7,269	-4,714
Depreciation	-2,357	-2,553
Outgoing accumulated depreciation	**-9,627**	**-7,269**
Closing balance	**4,515**	**6,874**

Fixtures, tools and installations	**2023**	**2022**
Ingoing accumulated acquisition value	1,101	1,084
Investments	-	17
Outgoing accumulated acquisition value	**1,101**	**1,101**
Ingoing accumulated depreciation	-580	-342
Depreciation	-192	-238
Outgoing accumulated depreciation	**-771**	**-580**
Closing balance	**329**	**521**

NOTE 27 - Intangible assets

Patent	**2023**	**2022**
Ingoing accumulated acquisition value	8,111	8,111
Investments	-	-
Outgoing accumulated acquisition value	**8,111**	**8,111**
Ingoing accumulated depreciation	-2,553	-1,652
Depreciation	-901	-901
Outgoing accumulated depreciation	**-3,454**	**-2,553**
Closing balance	**4,657**	**5,558**

Signatures

The annual accounts have been prepared in accordance with generally accepted accounting standards and provide a true and fair view of the company's financial position and results. The Directors' Report for the company gives a true and fair overview of the performance, financial position and earnings of the company, and describes significant risks and uncertainties faced by the company. The income statement and balance sheet will be presented for adoption at the Annual General Meeting on 23 May 2024.

Lund den 17 april 2024

Magnus Persson
Chairman

Ander Martin-Löf
Director

Flavia Borellini
Director

Damian Marron
Director

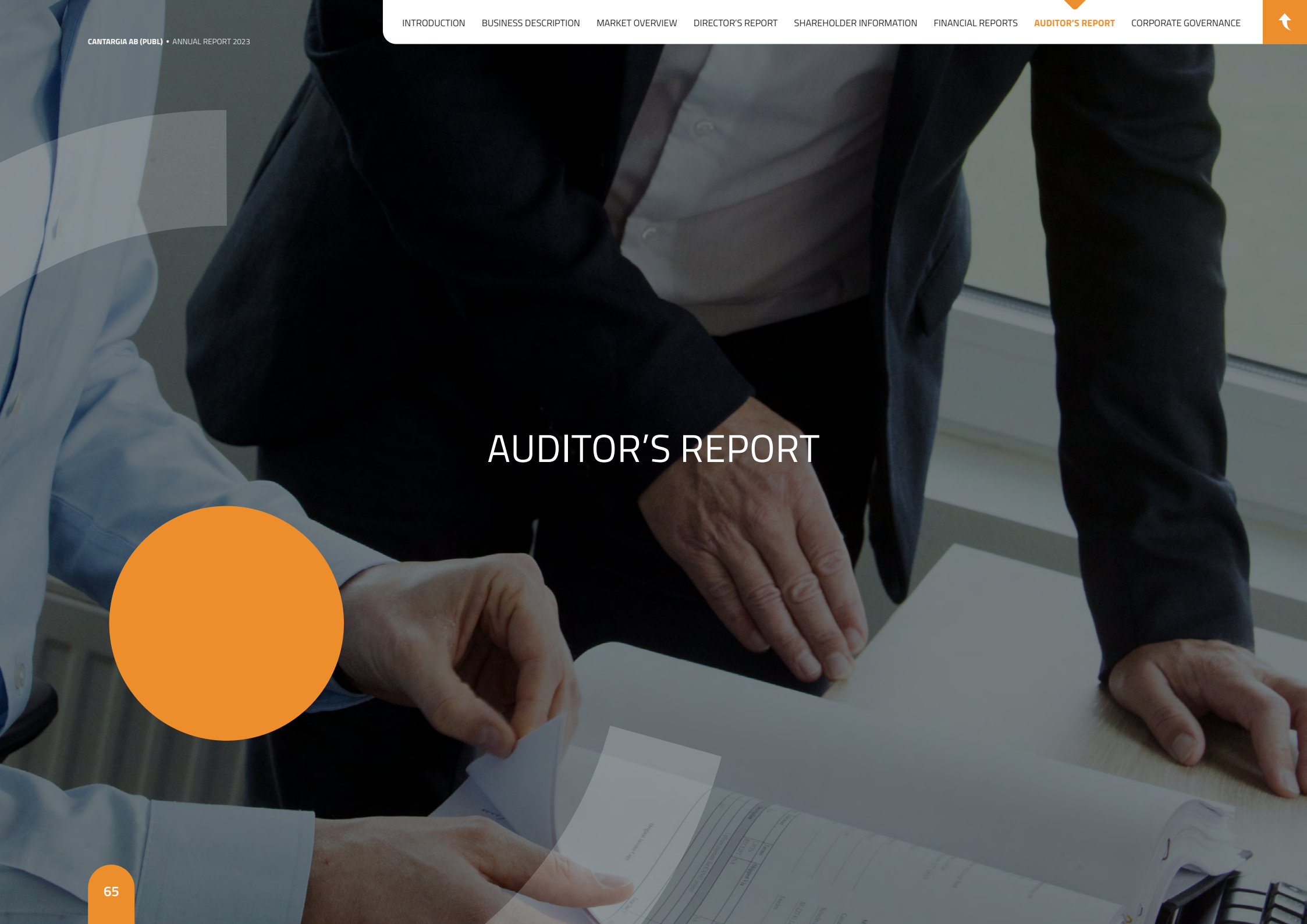
Magnus Nilsson
Director

Göran Forsberg
CEO

Our audit report was submitted on April 18 2024.

Öhrlings PricewaterhouseCoopers AB

Mikael Nilsson
Authorized auditor



AUDITOR'S REPORT

Auditor's report

Report on the annual accounts

Opinions

We have audited the annual accounts of Cantargia AB (publ) for the year 2023. The annual accounts and of the company are included on pages 32-64 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Cantargia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

Cantargia is a research-based biotechnology company that conducts research and development of antibody-based therapy against severe diseases. The most significant balance sheet items are bank funds and short-term investments. The largest cost item in the company consists of research and development costs, which is why we have assessed that this is a key audit matter.

We designed our audit by determining the level of materiality and assessing the risk of material misstatement of the financial statements. We particularly considered the areas where the Board of Director's and the Managing Director made subjective judgments, for example important accounting estimates that have been made based on assumptions and forecasts about future events, which are inherently uncertain.

As with all audits, we have also taken into account the risk of of the Board of Director's and the Managing Director overriding the internal control, and considered, among other things, whether there is evidence of systematic deviations that have given rise to the risk of material inaccuracies as a result of irregularities. We adapted our audit to carry out an appropriate review in order to be able to express an opinion on the financial statements as a whole, taking into account the company's structure, accounting processes and controls as well as the industry in which the company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	*How our audit considered the key audit matter*
Costs related to research and development – accrual and completeness The costs for the company's activities in research and development during the financial year 2023 amounted to a total of approx. SEK 273 million, which corresponds to approx. 94% of the company's total operating costs. The costs mainly consist of personnel-related costs and external costs for the clinical work that is carried out. In our audit, we have focused on these costs as they amount to a significant amount and that there is a risk regarding the completeness and accrual and accuracy of the expenses.	***Our examination of the costs for research and development has included, but is not limited to, the following measures:*** • Obtained an understanding of the company's routines, operational follow-up and internal control. • Testing of internal controls for approval of payment of invoices and salaries. • Reconciled and carried out detailed testing against invoices and other closing documentation. • Based on selection, we have requested and received external confirmation from suppliers on the financial year's purchases and respective size of outgoing accounts payable per 231231. • Performed detailed testing of salaries. Analyzed costs based on our knowledge of the business and follow-up against internal reports.

Other Information than the annual accounts
This document also contains other information than the annual accounts and is found on pages 1-31 and 70-82. The other information also consists of the Remuneration Report that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The board's audit committee shall, without affecting the board's responsibilities and tasks otherwise, among other things, monitor the company's financial reporting.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Director's and the Managing Director of Cantargia AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Cantargia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Cantargia AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Cantargia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

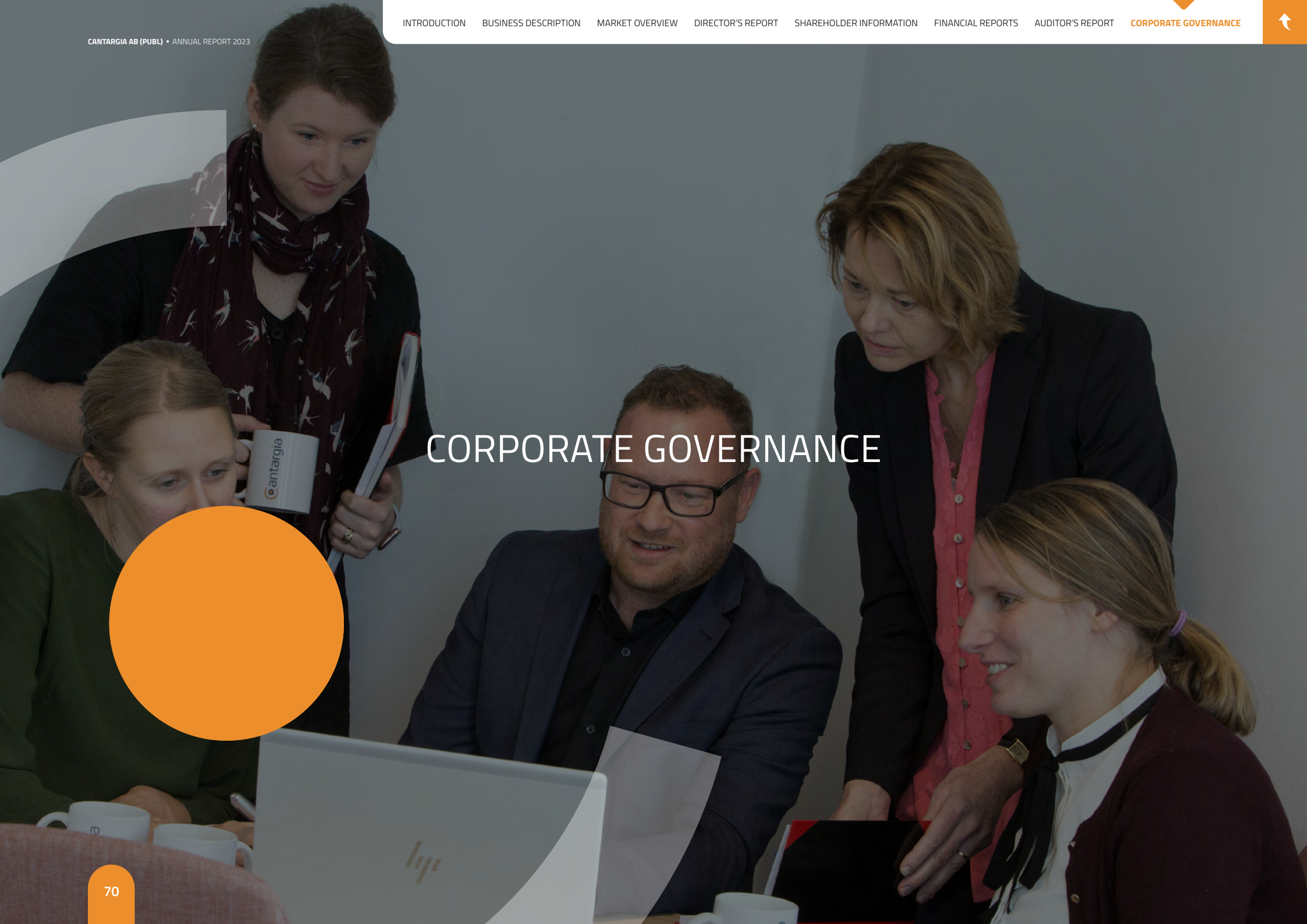
The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Cantargia AB (publ) by the general meeting of the shareholders on the 23 May 2023 and has been the company's auditor since the 13 January 2010.

Malmö 18 April 2024

Öhrlings PricewaterhouseCoopers AB

Mikael Nilsson
Authorized Public Accountant



CORPORATE GOVERNANCE

Corportate governance report

CANTARGIA AB (publ) ("Cantargia" or "the Company") is a Swedish public limited company listed on Nasdaq Stockholm. Cantargia's corporate governance is based on Swedish law, Nasdaq Stockholm's rules for issuers and internal rules and regulations. The Company also applies the Swedish Corporate Governance Code ("the Code"). The Code is available at www.bolagsstyrning.se.

Application of the Code

The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The Company is not required to comply with all rules in the Code, as the Code itself allows for deviations from the rules, provided that any such deviations, and the chosen solution, are described and the reasons for the deviation are explained in the corporate governance report (in accordance with the 'comply or explain' principle). The Company has currently not identified any deviations from the Code.

Shareholders

Cantargia's shares have been listed for trading on Nasdaq Stockholm since 25 September 2018 (Small Cap). At 31 December 2023, the total number of shares and voting rights in the Company was 183,686,684, represented by 17,468 shareholders.
For further information on the Company's ownership structure and major shareholders, see page 41-42 of the annual report.

Shareholders' meeting

In accordance with the Swedish Companies Act, the shareholders' meeting is the Company's highest decision-making body. At a shareholders' meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, the appropriation of the Company's earnings, release from liability for the members of the Board and the Chief Executive Officer, the election of Directors and auditors, and remuneration of Directors and auditors' fees. Under Cantargia's Articles of Association, notice of a shareholders' meeting is given by advertisement in Post- och Inrikes Tidningar and through publication of the notice on the Company's website. When notice is given, this must be advertised simultaneously in Svenska Dagbladet.

Shareholders who wish to participate in the negotiations at a shareholders' meeting must be registered in the share register maintained by Euroclear Sweden AB six business days before the meeting and register to attend the shareholders' meeting with the Company by the date indicated in the notice of the meeting. Shareholders can attend the meeting personally or by proxy and can be assisted by up to two persons. A shareholder has the right to vote all shares held. Each share in Cantargia entitles the holder to one vote. Shareholders who wish to request that a particular issue be addressed at a shareholders' meeting must submit a written request to the Board of Directors.

Nomination committee

Under a resolution of the Annual Genereal Meeting of Cantargia on 23 May 2023, the Chariman of the Board is required, prior to the Annual Genereal Meeting 2024, to convene a Nomination Committee consisting of one representative for each of the three largest shareholders of the Company as well as the Chairman of the Board. In accordance with these principles, the following Directors have been appointed:

- Jan Särlvik, appointed by av Fjärde AP-fonden
- Daniel Kristiansson, appointed by Alecta Pensionsförsäkring Ömsesidigt
- Mats Larsson, appointed by Första AP-fonden
- Magnus Persson, Chariman of the Board

The Nomination Committee has appointed Jan Särlvik as its chairman.

The Nomination Committee is required to perform the duties assigned to it under the Code and held 3 meetings prior to the Annual General Meeting 2024. The Nomination Committee's complete proposals for the 2024 AGM will be published in connection with the notice of AGM.

Board of Directors

Under Cantargia's Articles of Association, the Board of Directors shall, insofar as it is elected by the shareholders' meeting, consist of not less than three and not more than eight Directors, with no deputies. Currently, the Company's Board of Directors consists of five ordinary Directors, including the Chairman, who have been elected by the shareholders' meeting until the period of the end of the 2024 AGM. The composition of Cantargia's Board of Directors is considered to meet the requirements of the Code in respect of independence from the Company and from the Company's major shareholders. For a detailed presentation of the Directors, see page 77 of the annual report.

Responsibilities and work of the Board

Under the Companies Act, the Board of Directors is responsible for the Company's administration and organisation, which means that it is responsible for adopting goals and strategies, ensuring that procedures and systems for evaluating adopted goals are put in place, monitoring the Company's results and financial position, and evaluating its operational management. Under the Code, the Chairman of the Board shall be elected by the AGM and hold a special responsibility for leading the work of the Board and ensuring that the Board operates in an organised and effective manner.

The Board of Directors operates in accordance with written rules of procedure which are reviewed and adopted annually at the inaugural Board meeting. The rules of procedure regulate Board practices, functions, and the division of responsibilities between the Board and CEO, and between the Board and its committees. In connection with the inaugural Boardmeeting after each Annual General Meeting, the Board also adopts the terms of reference for the Chief Executive Officer, which include instructions for financial reporting. The Board convenes in accordance with a schedule that is defined annually. In addition to these Board meetings, further meetings can be convened to address issues which cannot be deferred to the next regular meeting.

			Independence of			Attendance			Total Director's fee 2023, KSEK
Name	Position	Member since	The Company and management	Major shareholders	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Drug development Committee meetings	
Magnus Persson	Chariman	2016	Yes	Yes	12/12	-	2/2	3/3	650
Patricia Delaite*	Director	2017	Yes	Yes	5/5	-	-	1/2	-
Thoas Fioretos*	Director	2010	Yes	Yes	5/5	-	2/2	-	-
Karin Leandersson*	Director	2016	Yes	Yes	5/5	3/3	-	-	-
Anders Martin-Löf	Director	2018	Yes	Yes	10/12	5/5	-	-	360
Flavia Borellini	Director	2020	Yes	Yes	12/12	-	-	3/3	550
Damian Marron	Director	2021	Yes	Yes	10/12	-	2/2	-	350
Magnus Nilsson	Director	2021	Yes	Yes	12/12	5/5	-	-	310

*Member of the Board until the Annual Genereal Meeting 2023

In 2023, the Board convened on 12 occasions, including 9 Teams meetings or meeting by correspondence. The Directors' attendance is shown in the table above. The activities of the Board in 2023 were dominated by discussions and strategic decisions on matters relating to the Company's product development, in particular its main project nadunolimab and the development projects CAN10 and CANxx. The Board also adopted resolutions regarding the rights issue that was completed in 2023, the business plan with financial targets, risk management, dividend policy and financial reports.

Board committees

The Board has established an Audit Committee, a Remuneration Committee, and a Drug Development committee. The members of the committees are appointed at the inaugural Board meeting and the committees' activities and authority are regulated in the committees' terms of reference. The matters addressed at the meetings of the committees are minuted and a report is presented at the following meeting of the Board.

Audit committee

The Company's Audit Committee consists of two members: Anders Martin-Löf (Chairman) and Magnus Nilsson. The Audit Committee shall, without prejudice to other responsibilities and duties of the Board, monitor the Company's financial reporting, monitor the effectiveness of the Company's internal control, internal auditing and risk management, keep itself informed on the audit of the annual accounts, and on the conclusions presented in the quality control report of the Swedish Inspectorate of Auditors, assess and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides other services than auditing to the Company, and assist in drafting proposed resolutions on the choice of auditors for adoption by the shareholders' meeting.

Remuneration Committee

The Company's Remuneration Committee consists of two members: Damian Marron (Chairman) and Magnus Persson. The Remuneration Committee is tasked with preparing proposals for remuneration principles, and remuneration and other terms of employment for the CEO and other senior executives.

Drug development Committee

The Board has established a Drug Development Committee consisting of two members: Flavia Borellini (chairman) and Magnus Persson. The Drug Development Committee shall act as an advisor and discussion partner for the company management in scientific and strategic issues concerning the development of the company's project portfolio.

Remuneration

Fees and other remuneration of Directors, including the Chairman, are determined by the shareholders' meeting. At the Annual General Meeting on 23 May 2023, it was resolved that Directors' fees of SEK 575,000 to the Chairman of the Board and SEK 260,000 to each of the other ordinary Directors be paid for the period until the end of the Annual General Meeting 2024. It was also resolved that the Chairman of the Audit Committee should receive SEK 100,000 and the other members of the Audit Committee SEK 50,000 each, and that the Chairman of the Remuneration Committee receive SEK 50,000 and the other members of the Remuneration Committee SEK 25,000 each and that the Chairman of the Drug development Committee should receive SEK 250, 000 and the other members of the Drug development Committee SEK 50 000 each. It was further resolved that, for each physical Board meeting (up to a maximum of six meetings) that is held in Sweden and attended by the Director, a meeting fee of SEK 20,000 be paid to each Director living outside the Nordic region.

Evaluation

The Chairman of the Board ensures that an annual evaluation of the work of the Board is carried out in which the Directors are given an opportunity to present their views on Board practices, Board meeting materials, their own and other Directors' contributions as well as the scope of the duties. The results of the evaluation have been discussed by the Board and presented by the Chairman of the Board to the Nomination Committee. It is considered that the combined expertise of the Board is appropriate for the Company's activities and goals. The Board is considered to function very well, with all members making constructive contributions to discussions on strategy as well as the governance of the Company. The dialogue between the Board and management is also considered to be good. The Board continually evaluates the work of the Chief Executive Officer by monitoring the Company's progress towards the defined goal.

Chief executive officer and management

The Chief Executive Officer reports to the Board of Directors and is responsible for the Company's day-to-day management and the operations of the group. The division of responsibilities between the Board and CEO is defined in the rules of procedure for the Board and the terms of reference for the CEO. Under the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and is therefore required to ensure that the Board receives sufficient information to enable it continuously to evaluate the Company's financial position.

The CEO shall keep the Board continuously informed about the development of the Company's business, its sales performance, earnings and financial position, its liquidity and credit situation, significant business events and any other event, and any other event, circumstance or relationship that may be of material importance to the Company's shareholders.

To assist him in his activities, the CEO has appointed a management team. For a more detailed presentation of the CEO and other members of the management team, see page 79-81.

Remuneration

At the Annual General Meeting on 27 May 2020, it was resolved to adopt guidelines for remuneration of the CEO and other senior executives in accordance with what is stated on page 37 of the annual report.

For information on the remuneration paid to the CEO and other senior executives in the financial year 2023, see Note 18.

Auditor

The auditor is tasked with examining the Company's annual report and accounts as well as the Board of Directors' and CEO's management of the Company. Under the Company's Articles of Association, the Company may have up to two auditors with or without deputy auditors. The Company's auditors are Öhrlings PricewaterhouseCoopers AB with Mikael Nilsson as auditor-in-charge.

For information on the remuneration to the auditor during the financial year of 2023, see Note 6.

Authorisation to issue shares

At the Annual General Meeting of the Company on 23 May 2023, it was resolved to authorise the Board, during the period until the next AGM, on or one or several occasions and with or without pre-emption rights for existing shareholders, to decide to issue new shares, provided that such issuance not comprise more than ten per cent of the number of outstanding shares of the Company on the day of the AGM. It shall also be possible to stipulate that such new shares be issued for non-cash consideration or paid for by means of set-off or subject to other terms and conditions.

Share based incentive schemes

At the end of 2023, Cantargia had three incentive schemes for senior executives and key personnel of the Company. The incentive schemes have been introduced to provide longerterm incentives for the Company's management and employees and to promote investments in and ownership of the Company's shares.

Incentive scheme

At the Annual General Meeting of the Company on 23 May 2023, it was decided to introduce a variable share-based incentive scheme for 2023, aimed at senior executives and key personnel of the Company, based on the incentive scheme adopted at the 2020 AGM.

The scheme is designed to offer the participants variable long-term remuneration in the form of a group bonus that must be used to acquire shares of the Company. The scheme is based on that or those annual bonus targets which are defined by the Board for the Company, and which refer to the Company's activities, financial key performance indicators and internal processes. Target achievement will be assessed by the Company's Board of Directors in connection with the adoption of the annual report for each year. When the target achievement has been determined by the Board of Directors, the amount due to each participant in the scheme will be paid out, and the participant will then be required to acquire shares as soon as possible. Participants must use the full amount of remuneration received under the scheme to acquire shares of the Company in the stock market. It is the intention of the Board that the scheme be a recurring annual scheme.

For further information about the scheme, see Note 19.

Employee Stock Option Scheme 2020/2023

At the Annual General Meeting on 27 May 2020, it was resolved to introduce Employee Stock Option Scheme 2020/2023 for employees of the Company, comprising not more than 1,900,000 employee stock options. The purpose of the scheme is to enable the Company to retain skilled personnel through a long-term incentive scheme.

The employee stock options will be offered to employees of or consultants to the Company and will be granted to the participants free of charge. The employee stock options have a three-year vesting period (1/3 per year) calculated from the grant date, provided, with the usual exceptions, that the participant is still employed by or otherwise engaged in the Company and that the participant has not terminated his or her employment or engagement in the Company as at the vesting date. Once vested, the employee stock options can be exercised over a two-year period.

Each vested employee stock option entitles the holder the right to purchase 1.2 share of the Company at a predetermined price. The price per share is determined as 150 per cent of the weighted average price of the Company's shares traded on Nasdaq Stockholm during the ten trading days preceding the grant date.

For further information about the scheme, see Note 19.

Employee Stock Option Scheme 2021/2024

At the Annual General Meeting on 26 May 2021, the shareholders approved the introduction of Employee Stock Option Scheme 2021/2024, compromising not more than 3,000,000 employee stock options. The purpose of the scheme is to enable the company to retain skilled personnel through a longterm incentive scheme.

The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period.

Each vested option gives the holder the right to purchase 1.2 share of the company at a pre-defined price. The price per share will be determined as 150 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date.

For further information about the scheme, see Note 19.

Employee Stock Option Scheme 2021/2024

At the Annual General Meeting on 23 May 2023, the shareholders approved the introduction of Employee Stock Option Scheme 2023/2026, compromising not more than 3,000,000 employee stock options. The purpose of the scheme is to enable the company to retain skilled personnel through a longterm incentive scheme.

The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period.

Each vested option gives the holder the right to purchase one share of the company at a pre-defined price. The price per share will be determined as 130 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date.

For further information about the scheme, see Note 19

Dilution

To enable the Company to deliver shares to participants in Employee Stock Option Scheme 2020/2023, 2021/2024 as well as 2023/2026 in a simple and cost-effective manner, the AGM resolved to approve a directed issue of 7,900,000 warrants to the Company (i.e. Cantargia AB (publ)).

If fully exercised, the warrants would dilute the Company's share capital and voting rights by approximately 4.1 per cent.

Internal control in respect of financial reporting

The Board of Directors is responsible for ensuring that Cantargia has good internal control and adequate, formalised procedures for ensuring compliance with adopted principles for financial reporting. The general purpose of the internal control system is to obtain reasonable assurance that the Company's operational strategies and goals are monitored and that the owners' investments are protected. The internal control system should also ensure with a reasonable degree of certainty that the Company's external financial reports are reliable and correct and have been prepared in accordance with generally accepted accounting policies, applicable laws, and regulations as well as other requirements applying to companies listed on Nasdaq Stockholm.

The Company monitors, follows and manages any risks in accordance with a risk management and corporate governance policy that is evaluated on an ongoing basis and adopted annually by the Board of Directors. Cantargia has decided to adopt the COSO[1] framework, which is the most widely accepted internal control framework for financial reporting. The framework consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment and risk assessment

The Board of Directors has adopted several policies, governing documents, and instructions with the aim of creating and maintaining a functioning control environment. This is achieved mainly through the rules of procedure for the Board of Directors, the terms of reference for the Chief Executive Officer, the rules of procedure for the Audit Committee, the instructions for financial reporting, the Company's accounting manual and the authorisation manual. The Company's policies and governing documents are evaluated on an ongoing basis and adopted annually by the Board of Directors. The Board has also established an Audit Committee, which, among other duties, is tasked with monitoring the Company's financial position and the effectiveness of the internal control as well as internal auditing and risk management. Responsibility for the day-to-day internal control activities in respect of financial reporting has been delegated to the Company's Chief Executive Officer.

Cantargia's Board of Directors is also required to carry out an annual risk assessment in respect of strategic, operational, legal, and financial risks to identify potential issues and assess the Company's risk exposure. The Audit Committee is responsible for evaluating the Company's risk situation on an ongoing basis and shall assist the Board by submitting proposals for the management of the Company's financial risk exposure and risk management.

[1] Committee of Sponsoring Organizations of the Threadway Commission.

Control environment and risk assessment
The Company's information and communication paths are aimed at ensuring the accuracy of financial reporting and enabling reporting and feedback from the business to the Board and management, for example be ensuring that governing documents in the form of internal policies, guidelines and instructions for financial reporting are made available to and are known by the employees concerned. With regard to external communications, guidelines have been prepared to ensure that the Company meets the relevant disclosure requirements. The CEO is responsible for external communication.

The Board is responsible for control and monitoring of the CEO's risk management activities. This is done through reviews and monitoring of the Company's governing documents related to risk management and, for example, through reviews and assessments by the Board of adopted decisions. The effectiveness of the control activities is evaluated annually, and the results of these evaluations are reported to the Board and Audit Committee.

Monitoring
The CEO ensures that the Board receives regular reports on the results of the risk assessment, identified financial risks and processes, and the development of the Company's business. The Board also follows up the assessment of the internal control system, partly through contacts with the Company's auditor.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Cantargia AB (publ), corporate identity number 556791-6019.

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the year 2023 (the financial year) on pages 71-76 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö 18 April 2024

Öhrlings PricewaterhouseCoopers AB

Mikael Nilsson
Authorized Public Accountant

Board of Directors, senior executives, and auditors

Board of Directors

Under Cantargia's Articles of Association, the Board of Directors shall consist of at least three and no more than eight Directors. At the Annual General Meeting on 23 May, 2023, it was resolved that the Board should consist of five ordinary Directors with no deputies. The board members are elected for the period until the end of the 2024 Annual General Meeting.

Board of Directors

Magnus
Persson

Chairman of the Board since 2016, born 1960.
Member of the Remuneration Committee and the Drug Development Committee.

Number of shares: 190,154

Magnus Persson is MD and associate professor in physiology at the Karolinska Institute in Stockholm. Persson has extensive experience of financing within the fields of medicine, life sciences and biotech. Persson has previously led development teams in clinical phase II and phase III programmes in the pharmaceutical industry and has founded and led private as well as public biotech and medtech companies, either as Chairman or Member of the Board, in Europe and the US. Persson has also been involved in multiple IPOs.

Persson is Chairman of the Board of Eir Ventures Partners AB and associated companies, Attgeno AB, Initiator Pharma AS, and Board Member of Avalo Inc.

Independent in relation to the Company and its management and the Company's major shareholders.

Anders
Martin-Löf

Board member since 2018, born 1971.
Chairman of the Audit Committee.

Number of shares: 50,000

Anders Martin-Löf is the CFO of BioArctic AB and Board Member of Affibody Medical AB. He has extensive experience as CFO for companies listed on the Stockholm stock exchange and has served as CFO for Oncopeptides AB, Wilson Therapeutics AB and RaySearch Laboratories AB. Martin-Löf has also held the position of Head of Investor Relations and different positions within business development at Swedish Orphan Biovitrum. Martin-Löf holds an MSc in Engineering Physics from the Royal Institute of Technology and a BSc in Business Administration and Economics from Stockholm University.

Independent in relation to the Company and its management and the Companys major shareholders.

Flavia Borellini

Board member since 2020, born 1959.
Chairman of the Drug Development Committee.

Number of shares: 0

Flavia Borellini holds a PhD in Pharmaceutical Chemistry and Technology from the University of Modena in Italy. Borellini has broad experience in oncology and other therapeutic areas and has held senior positions at Astra Zeneca (Global Franchise Head, Hematology and Vice President, Global Product and Portfolio Strategy), Acerta Pharma (CEO), ONYX Pharmaceuticals (Vice President, Program Leadership), and Roche/Genetech (Lifecycle Leader).

Borellini serves as a Member of the Board of Directors of Kartos Therapeutics, Revolution Medicines and Viracta.

Independent in relation to the Company and its management and the Companys major shareholders.

Magnus Nilsson

Board member since 2021, born 1956.
Member of the Audit Committee.

Number of shares: 100,000

Magnus Nilsson is founder, previously President and CEO at XVIVO Group. Nilsson has also been President and CEO of Vitrolife and held prior to that, various positions as Project Manager for drug development projects at Pharmacia & Upjohn, Pharmacia, and Karo Bio. Nilsson serves as a Member of the Board of Directors of Corline Biomedical and is Chairman of the Board of Directors at Mentice AB.

Nilsson is PhD in Medicine from Uppsala University and has published over twenty scientific articles.

Independent in relation to the Company and its management and the Companys major shareholders.

Damian Marron

Board member since 2021, born 1962.
Chairman of the Remuneration Committee.

Number of shares: 0

Damian Marron has extensive experience as a Board Member and CEO within the life science industry, with a successful track record of leadership and value creation in public and private biotechnology companies. Marron has held positions as CEO and Executive Vice President in several biotech companies. He is currently Chairman of the Board of Targovax ASA, Imophoron Ltd, Indegra Therapeutics Ltd and Board Member of Resolys Bio Inc. and Onya Therapeutics Ltd, and Head of Biopharma at Treehill Partners.

Marron holds a BSc degree in Pharmacology from the University of Liverpool.

Independent in relation to the Company and its management and the Companys major shareholders

Management

Göran Forsberg

CEO employed since 2014, born 1963.

Holdings: 304,412 shares and 1,220,000 options

Göran Forsberg has a PhD in biochemistry and is associate professor and author of over 40 scientific publications. For over 30 years he has had leading positions in research and development, business development and investor relations at pharmaceutical and biotechnology companies, including KabiGen, Pharmacia, Active Biotech and the University of Adelaide, Australia. Forsberg has extensive experience in leading drug development and clinical trials, with a special focus on oncology. Forsberg is a board member of Guard Therapeutics International AB (publ).

Liselotte Larsson

COO employed since 2014, born 1963.

Holdings: 70,166 shares and 475,000 optioner

Liselotte Larsson has a PhD in biotechnology and has over 25 years of experience in various management positions in pharmaceutical and biotechnology companies including BioGaia Fermentation, Novozymes Biopharma and Camurus. Larsson's main fields of expertise are business development, marketing & sales/out licensing, ISO certification, good manufacturing practice (GMP) and overall project management.

Lars Thorsson

VP Clinical Development employed since 2015, born 1961.

Holdings: 141,349 shares and 435,000 optioner

Lars Thorsson graduated with a PhD in clinical pharmacology in 1998 and has extensive experience from the pharmaceutical industry, including leading roles in clinical studies and project management in a large number of development phases at AstraZeneca and Novo Nordisk A/S. Thorsson has been responsible for evaluation and documentation of new substances and has the experience of regulatory activities and interactions with health authorities.

David Liberg

CSO employed since 2015, born 1969.

Holdings: 25,194 shares and 475,000 options

David Liberg graduated with a PhD in 2001 and has over twentyfive years of research experience within immunology and tumour biology. Liberg has worked within the pharmaceutical industry for the last eighteen years, with responsibility for early research projects and activities in tumour immunology. He has extensive experience of pre-clinical phase cancer projects. His most recent position was at Active Biotech AB, where he worked as Project Manager Drug Development as well as Head of Cell Biology and Biochemistry. Liberg has also carried out research at Imperial College in the UK and at Lund University.

Nedjad Losic

VP Biometrics employed since 2021, born 1969.

Holdings: 25,750 shares and 330,000 options

Nedjad Losic holds an MSc in Mathematics and a diploma in Management of Medical Product Innovation (SIMI). Losic has over 25 years of experience in providing biostatistics expertise in clinical drug development, mostly in antibody development and oncology. Losic has been directly involved in the planning and obtaining market approvals for several biological drugs at Genmab and Y-mAbs Therapeutics. He has previously held managerial positions and worked for Ferring, Spadille, Genmab and Y-mAbs.

Dominique Tersago

CMO employed since 2022, born 1962.

Holdings: 0 shares and 0 options

Dominique Tersago is MD and has over 25 years of experience in the biotech/pharmaceutical industry in early and late-stage clinical development, regulatory strategy and interactions. In biotech as of 2011, Tersago in the position of Chief Medical Officer has led the clinical development of various biologics and supported the transition and growth of the companies Ablynx, Bioncotech (now Highlight Therapeutics) and Exevir. Her experience covers the therapeutic areas of immune oncology, virology, auto-immune disease and hematology. Pharmaceutical industry positions were with Bristol-Myers Squibb and Janssen Pharmaceutical.

Patrik Renblad

CFO employed since 2023, born 1970.

Holdings: 55 000 shares and 170,000 options

Patrik Renblad holds a MSc in Business Administration and Economics from Lund University. He has more than 20 years of experience from the Life Science industry. With a strong financial background and focus, he has served in various roles across the pharmaceutical value chain and across geographies for AstraZeneca, LEO Pharma and SynAct Pharma. Prior to joining Cantargia, Renblad led SynAct Pharmas listing on Nasdaq Stockholm in 2022 as CFO. Before that, he served 10 years at LEO Pharma, amongst his roles were head of Research & Development Finance unit and local CFO for the Chinese affiliate in Shanghai.

Other disclosures on Directors and senior executives

There are no family connections among any Directors or senior executives. There are no conflicts of interest or potential conflicts of interest between the Directors' and senior executives' undertakings to the Company and their private interests and/or other undertakings. As shown above, some Directors and senior executives have financial interests in the Company in the form of shareholdings. None of the Directors or senior executives has in the last five years participated or been involved in any bankruptcy, liquidation or administration proceedings in the capacity of Director or senior executive of a company. None of the Directors or senior executives has in the last five years been accused of and/or been subject to any sanction from a public authority, professional association or similar body, been disqualified from engaging in business activities or otherwise been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of or from acting in the management or conduct of the affairs any company. There exist no special agreements on post-employment benefits for the current Directors or senior executives. All Directors and senior executives can be contacted at the Company's address: Scheelevägen 27, SE-223 63 Lund, Sweden.

Auditors

At the Annual General Meeting on 23 May 2023, Öhrlings PricewaterhouseCoopers AB were re-appointed as auditors for the Company for the period until the end of the Annual General Meeting 2024. Mikael Nilsson (born 1981) is auditor-in-charge. He is an Authorised Public Accountant and a member of FAR, the professional institute for accountants in Sweden.

Annual General Meeting and calendar

Cantargia's Annual General Meeting will be held on Tuesday 23 May 2024. Shareholders who wish to participate in the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB as of Wednesday 15 May 2023 and register with the company no later than Friday 17 May 2023, in writing to Cantargia AB, Scheelevägen 27, SE-223 63 Lund. Shareholders can also register by telephone on +46 (0)46-27 56 260 or by e-mail at info@cantargia.com.

The board has decided that shareholders may exercise their voting rights at the annual general meeting by postal voting. Shareholders may thus exercise their voting rights at the meeting through physical attendance, by proxy, or by postal voting. See more information in the notice to the meeting.

Shareholders whose shareholding is registered with a nominee must, to be entitled to participate in the AGM, ensure that their shareholding is temporarily re-registered in their own name with Euroclear Sweden AB so that the shareholder is registered in the share register as of 15 May 2024. Such registration may be temporary (registration of voting rights) and must be requested from the nominee in accordance with the nominee's procedures by the deadline specified by the nominee. Voting rights registered no later than the second business day after 15 May 2024 will be entered in the share register.

2024-05-21	Interim Report January-March 2024
2024-05-23	Annual Genereal Meeting
2024-08-28	Half-year report April-June 2024
2024-11-15	Interim Report July - September 2024
2025-02-21	Year-end report for 2024

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