# INTERIM REPORT

## January - March 2023

# New results increase chances of success

### FIRST QUARTER

- Net sales: SEK 0 M (0)
- Operating loss: SEK -77.6 M (-121.6)
- Loss after tax: SEK -75.9 M (-117.5)
- Loss per share, before and after dilution: SEK -0.45 (-1.17)
- Equity/assets ratio: 77 (82) per cent
- Cash and cash equivalents: SEK 155.4 M (205.7)
- Short-term investments: SEK 197.4 M (237.1)

### Significant events in the first quarter

- Promising early safety and efficacy were reported for nadunolimab with chemotherapy in the first triple-negative breast cancer (TNBC) patients recruited to the dose escalation stage in the clinical phase Ib/II trial TRIFOUR. Soon thereafter, the first patient was treated in the subsequent randomized phase II stage.
- The GLP toxicity study for CAN10 was successfully completed.
- Patrik Renblad was recruited as new Chief Financial Officer (CFO).

### Significant events after the end of the period

- New promising efficacy data for combination therapy with nadunolimab in pancreatic cancer (PDAC) patients were presented at the AACR 2023 conference. These data showed that a subgroup of patients with high levels of IL1RAP benefit most from treatment with nadunolimab and chemotherapy. Anti-metastatic effects of nadunolimab in cancer models were also presented.
- Plans for a new randomized clinical phase IIb trial were announced. This trial will evaluate nadunolimab in combination with gemcitabine/nab-paclitaxel in additional PDAC patients.
- Patient enrollment to the CANFOUR trial was completed. Favorable safety was reported for nadunolimab with carboplatin/pemetrexed in the ten treated non-squamous non-small cell lung cancer (NSCLC) patients. Biomarkers will now be evaluated in all treated NSCLC patients.
- An application to start the first clinical trial for CAN10 was submitted to regulatory authorities.

### Comments on significant events

New strong clinical data for nadunolimab combined with gemcitabine and nab-paclitaxel in PDAC were presented at the AACR 2023 conference. In line with previous updates, data showed that efficacy in the 73 treated patients was well above historical data for chemotherapy alone. Also, the results showed that the strongest effect was achieved in patients with high tumor levels of IL1RAP, the target protein of nadunolimab, including a significantly prolonged overall survival compared to patients with low IL1RAP levels. Hence, a new randomized, controlled clinical phase IIb trial is planned to confirm these results in 150-200 PDAC patients. Regulatory submission for starting the trial is planned for the second half of 2023 with top line data planned for 2025. Thus, a potential inclusion of nadunolimab in the Precision Promise℠ trial is put on hold until results from the new phase IIb trial have been obtained.

During the period, the dose escalation part of TRIFOUR, which evaluates nadunolimab with the chemotherapies carboplatin and gemcitabine in patients with TNBC, was completed. Acceptable safety was reported for the combination based on the 15 patients in this part of the trial. In addition, early data from 12 patients treated long enough for an initial efficacy analysis showed promising responses compared to historical control data. TRIFOUR was expanded to a second, randomized part where patients are now enrolled. Up to 98 patients will be included in this part to evaluate antitumor activity of the combination.

Recruitment of patients with non-squamous NSCLC to the CANFOUR trial was completed. A total of ten patients were treated with nadunolimab together with carboplatin and pemetrexed chemotherapy and good safety was reported for the combination. For the remainder of the year, biomarkers will be analyzed from the NSCLC patients treated with nadunolimab and chemotherapy to date. The aim is to identify patient subgroups with the best responses to treatment, ahead of next steps in the development in NSCLC.

At AACR 2023, preclinical data for nadunolimab were also presented. These showed that a nadunolimab surrogate antibody reduced the metastatic burden in two different cancer models and counteracted tumor-stimulating processes in the metastatic microenvironment. For CAN10, a GLP toxicity study was completed, showing that CAN10 is well tolerated by both intravenous and subcutaneous administration. Also, an application was submitted to initiate a clinical phase I trial. The ambition is that treatment in the trial can start by mid-2023.

# CHIEF EXECUTIVE'S REVIEW

## New results increase chances of success

The first months of the year have been very successful for Cantargia. At present, about 250 cancer patients have received treatment with nadunolimab and we are now starting to obtain a solid foundation to work from. New results in patients with pancreatic cancer and triple-negative breast cancer, as well as previous strong results in lung cancer patients, strengthen our positive view of the project. The current status is that Cantargia has identified an area of cancer diseases with great medical needs, where we envision that nadunolimab has the potential to play an important role in future cancer care.

The development of nadunolimab is most advanced in pancreatic cancer, as approximately 120 patients have been treated, including the 73 patients who received nadunolimab in combination with the chemotherapy agents gemcitabine and nab-paclitaxel in the CANFOUR clinical trial. Since the first efficacy signals reported three years ago, we have seen that these patients are doing better than what would be expected for chemotherapy alone. The new results, which show a correlation between the level of nadunolimab's target IL1RAP and the effect of the combination therapy, put the project in a new light and strongly indicate that nadunolimab plays an important part in the results we have previously presented for the combination therapy. We see that patients with high levels of IL1RAP benefit with higher response rates, and a higher quality of responses, where a larger proportion of the tumor is eliminated, and the treatment response is more durable. Collectively, this means that patients with high levels of IL1RAP have a statistically significant longer survival compared to patients with lower IL1RAP levels (14.2 versus 10.6 months, p=0.017). This signal validates the efficacy of nadunolimab and will be fundamental ahead of the continued development in pancreatic cancer as we can now identify the patients that respond best to the therapy. This result is also particularly remarkable as high levels of IL1RAP correlate with a worse prognosis and nadunolimab has the potential to provide the most benefit to these patients. The results were recently presented at the AACR conference in the US and were met with great interest. It is now crucial to start the next trial and confirm these results against a control group, and in parallel define a diagnostic method to be able to quickly identify this large subgroup of patients in the future. Thus, we recently announced our plans for a new randomized phase IIb trial with the aim to submit an application to start the trial during the second half of 2023 and initiate treatment in the beginning of 2024.

It is also with great enthusiasm that we presented the first results in the treatment of triple-negative breast cancer. This type of breast cancer is the most difficult to treat and has a great medical need. Our initial results in the TRIFOUR clinical trial showed that 50% of patients treated with nadunolimab and carboplatin and gemcitabine showed objective response, compared to the expected 30%. The trial thus proceeded into the randomized phase II part where 98 patients are planned to receive treatment. A first interim analysis is planned for Q4 2023.

The lung cancer field is one of the most competitive areas in oncology, which underlines the great opportunities in this common and very deadly cancer. Our results presented for nadunolimab in non-small cell lung cancer are also strong. However, the market for lung cancer is becoming increasingly fragmented, which means that it is important to develop strategies for identifying patients who respond best to treatment. We will present new results for non-small cell lung cancer at the ASCO conference in early June and plan for further biomarker analyses for the rest of 2023 before the next stage of development.

Additionally, we have made progress within the CAN10 project as a GLP toxicity study was successfully completed, and an application to start a clinical phase I trial was subsequently submitted. The timelines for the trial start are now dependent on the regulatory authorities and the time required for their review of the study protocol, but we plan for treatment of the first subjects in mid-2023. We also look forward to Patrik Renblad settling in as the new CFO as Bengt Jöndell has decided to wind down, having built up Cantargia's financial system and routines in a commendable fashion over the past years. In summary, 2023 is off to a very strong start with promising progress in our projects. I am convinced that Cantargia will maintain this positive development during the rest of the year, as we can look forward to additional results and start of new activities.

*Göran Forsberg*
CEO, Cantargia AB

# ABOUT CANTARGIA

Cantargia is a Swedish biotech company that develops antibody-based treatments for cancer and other life-threatening diseases. Cantargia's research and development were born out of an important discovery at Lund University where research on leukemic stem cells showed that the IL1RAP molecule is present on the cell surface of immature cancer cells. Further studies demonstrated that this molecule is also found on cancer cells from a large number of solid tumor types. Antibodies targeting IL1RAP can thus potentially be used for the treatment of several types of cancer.

**Nadunolimab (CAN04)**
The development of Cantargia's first drug candidate, the IL1RAP-binding antibody nadunolimab, has progressed quickly and has demonstrated promising clinical and pre-clinical data in the treatment of cancer. In addition to targeting cancer cells and stimulating our natural immune system to destroy such cells, nadunolimab also blocks signals which contribute to tumor development and growth. In a large number of tumor diseases, tumor growth benefits from the so-called interleukin-1 system, which contributes to an environment favorable to tumors. The interleukin-1 system is dependent on IL1RAP for transferring signals to cells and blockade of IL1RAP by nadunolimab prevents this signaling.

Cantargia has rapidly advanced nadunolimab to the clinical phase II stage in pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer. Promising interim data from patients receiving nadunolimab in combination with chemotherapy have been presented and indicate a stronger efficacy than would be expected from chemotherapy alone.

Nadunolimab is mainly evaluated in combination with chemotherapy as its mechanism of action enables synergy with other cancer therapies. This is because IL1RAP affects various resistance mechanisms that tumors can develop to these therapies. In parallel with the clinical development, studies are conducted on various 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**
IL1RAP is also an interesting target in many diseases outside the field of cancer. In the CAN10 project, Cantargia is developing a new IL1RAP-targeting antibody which has a unique capability of blocking signaling not only by interleukin-1, but also interleukin-33 and interleukin-36. Simultaneous blockade of all three of these cytokines has great potential in the treatment of several autoimmune and inflammatory diseases. The initial focus is on two severe diseases, systemic sclerosis and myocarditis, where CAN10 has shown very strong pre-clinical data. CAN10 is currently in late-stage preclinical development and the goal is to initiate the first clinical trial with CAN10 in mid-2023.

**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.

## Cantargia's project portfolio

| Project | Disease | Type of treatment | Discovery phase | Preclinical phase | Clinical phase I | Clinical phase II | Clinical phase III |
|---|---|---|---|---|---|---|---|
| Nadunolimab | PDAC | 1st line | | *Gemcitabine/nab-paclitaxel* | | | |
| | TNBC | 1st/2nd line | | *Carboplatin/gemcitabine* | | | |
| | NSCLC/ 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

**Cantargia's clinical studies**

In Cantargia's first clinical trial, CANFOUR, nadunolimab is evaluated for treatment of pancreatic cancer and non-small cell lung cancer. CANFOUR is a phase I/IIa trial consisting of two parts. While the first part primarily evaluated safety and dosage of monotherapy, the second part, phase IIa, focuses on combination therapy with standard treatments for pancreatic cancer and non-small cell lung cancer. The phase I results were very encouraging and indicated good safety, as well as effects on key biomarkers.

Moreover, positive interim results from the phase IIa part show clear signals on the efficacy of combination therapy as stronger effects are observed in both pancreatic cancer and lung cancer patients compared to what would be expected from chemotherapy alone. In a total of 73 patients with pancreatic cancer, progression-free survival of 7.2 months and median overall survival of 12.9 months was observed, which is an improvement over historical control data for chemotherapy alone. 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=0.017). In 30 patients with non-small cell lung cancer, a response of 53 per cent was achieved, resulting in median progression-free survival of 6.8 months. This is an improvement over historical controls for chemotherapy only, which show a 22-28 per cent response rate and median progression-free survival of 5.1 months. Moreover, an even higher response was achieved in a subgroup of patients with non-squamous non-small cell lung cancer.

Nadunolimab is also assessed in additional forms of cancer or with additional combination therapies. In the clinical phase Ib/II trial TRIFOUR, patients with triple-negative breast cancer are treated with nadunolimab in combination with chemotherapy. In this trial, the initial dose escalation phase was recently completed, where the combination showed acceptable safety and promising efficacy. Patients are now enrolled to a second, randomized phase of TRIFOUR where the anti-tumor efficacy of nadunolimab in combination with chemotherapy will be evaluated and compared to a control group with chemotherapy alone.

In the phase Ib trial CIRIFOUR, nadunolimab is studied in combination with the immunotherapy pembrolizumab (Keytruda®) with the main objective to assess safety. Patient recruitment to CIRIFOUR ended in October 2022, and a total of 16 patients with non-small cell lung cancer, head and neck cancer and malignant melanoma were treated. Interim data show that the combination is well-tolerated and that disease control for at least 30 weeks (up to 58 weeks) is achieved in 6 of 15 evaluated patients, including one partial response.

Additional studies include the phase Ib trial CAPAFOUR and the phase I/II trial CESTAFOUR. In CAPAFOUR, pancreatic cancer patients are treated with nadunolimab in combination with the chemotherapy regime FOLFIRINOX, and in CESTAFOUR, nadunolimab is evaluated in combination with chemotherapy in three different forms of cancer: non-small cell lung cancer, biliary tract cancer and colon cancer. Patient recruitment to both CAPAFOUR and CESTAFOUR ended in October 2022. Preliminary results show an acceptable safety profile for the combination therapies and signs of efficacy in non-small cell lung cancer patients treated with nadunolimab and cisplatin/gemcitabine in CESTAFOUR.

**Clinical studies for nadunolimab**

| Study | Disease | Combination therapy | No. of patients | Status | NCT number |
|---|---|---|---|---|---|
| CANFOUR | PDAC | Gemcitabine/nab-paclitaxel | 76 | Active, not recruiting | NCT03267316 |
| | NSCLC/ non-squamous NSCLC | Platinum doublets | 33 + 10 | Active, not recruiting | |
| CIRIFOUR | Solid tumors | Pembrolizumab | 16 | Active, not recruiting | NCT04452214 |
| CAPAFOUR | PDAC | FOLFIRINOX | 18 | Active, not recruiting | NCT04990037 |
| CESTAFOUR | Solid tumors | Docetaxel, cisplatin/ gemcitabine or FOLFOX | 36 | Active, not recruiting | NCT05116891 |
| TRIFOUR | TNBC | Carboplatin/gemcitabine | Up to 113 | Recruiting | NCT05181462 |

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

# CANTARGIA OPERATES IN A GROWING MARKET

Cancer is one of the leading causes of death in the world, accounting for around 20 per cent 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.

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 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.

**The market for pancreatic cancer**

Globally, approx. 495,000 new cases of pancreatic cancer were diagnosed in 2020. In the same year, 466,000 people died from the disease[1]. In the United States, the number of people diagnosed with the disease has increased by nearly 13 per cent over the last 20 years and pancreatic cancer is today the third most common cause of cancer-related deaths in the United States[2]. 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 approx. USD 2.4 billion in the eight largest markets in 2021 and is expected to grow to approx. USD 4.2 billion by 2026[3]. This corresponds to an annual growth rate of just over 8 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 the 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.

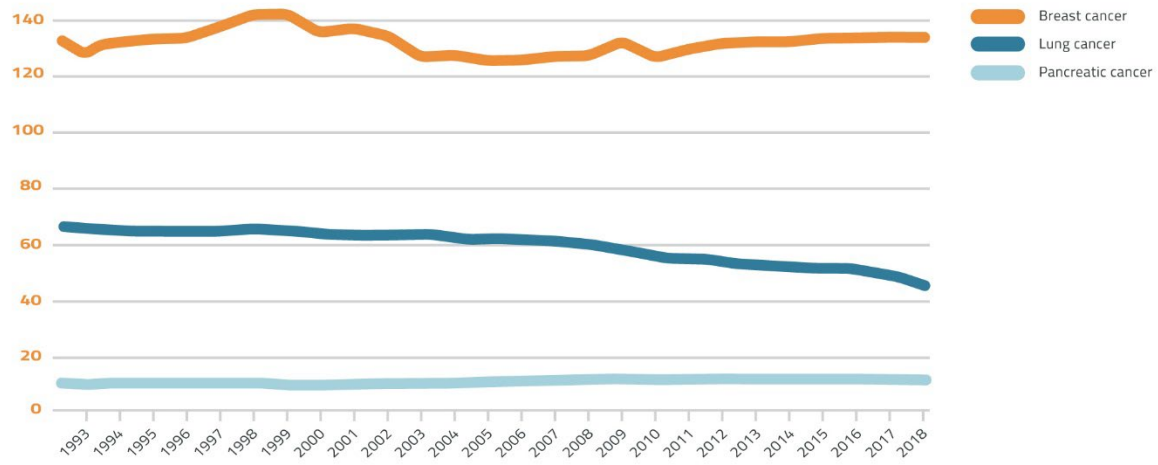
**The market for breast cancer**

Breast cancer is currently the most common form of cancer. In 2020, approx. 2.3 million new cases were reported, and approx. 685,000 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 United States, the median age for developing breast cancer is 62 years[4]. According to a study conducted on American women, increases in BMI and the fact that women on average give birth to fewer children, are likely to contribute to the increase in cases in the United States between 1980 and 2018[5].

The global market for breast cancer treatment amounted to approx. USD 17.9 billion in 2021 and is expected to increase to USD 20 billion by 2025, corresponding to an annual growth rate of approx. 13 per cent[6]. The market growth is primarily fueled by an increased disease incidence, but also the need for preventive measures and early treatment. Market growth is also expected to be driven by the launch of new therapies.

Approx.10-15 per cent of breast cancer cases is triple-negative breast cancer. 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 approx. 4.5 per cent between 2020 and 2027[7].

**Number of new cancer cases in the US per 100,000 inhabitants**




Source: SEER Cancer Statistics Review

**The market for lung cancer**

In 2020, approx. 2.3 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[2], 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[8]. In the United States, the number of people diagnosed with lung cancer has declined by approx. 27 per cent over the past 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 totalled USD 20 billion in 2020 and are projected to increase to USD 45 billion by 2027[9]. Sales are driven mainly 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 systemic sclerosis and myocarditis**

In Cantargia's second development project, CAN10, the objective is to develop a novel IL1RAP-binding antibody primarily for treatment of systemic sclerosis and myocarditis.

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 approx. 22 per 100,000 (1.7 million)[10], and globally the disease accounts for about 0.6 deaths per 100,000 (46,400) annually[11]. 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 sub-types. 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 approx. 1.4 per 100,000[12]. 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 approx. USD 500 million in 2020 and is expected to grow to USD 1.8 billion by 2030 in the seven major markets[13]. This corresponds to an average annual growth rate of 14 per cent.

[1]Globocan 2020

[2]American Cancer Society, Cancer Facts & Figures 2021

[3]Reportlinker.com, Pancreatic Cancer Treatment Market Research Report - Global Forecast to 2026

[4]American Cancer Society

[5]Pfeiffer RM, Webb-Vargas Y, Wheeler W, Gail MH. Proportion of U.S. Trends in Breast Cancer Incidence Attributable to Long-term Changes in Risk Factor Distributions. Cancer Epidemiol Biomarkers Prev. 2018;1:1

[6]Research and Markets, Breast Cancer Drugs Global Market Report 2021

[7]FutureWise, Triple Negative Breast Cancer Treatment Market By Drug Type, 2020-2027

[8]Paz-Ares et al, N Engl J Med 2018; 379:2040-2051

[9]Reportlinker, Global Non-Small Cell Lung Cancer (NSCLC) Therapeutics Industry

[10]J Am Coll Cardiol. 2016 Nov 29;68(21):2348-2364

[11]Lancet. 2018;392:1736-88

[12]Bairkdar, Rossides, Westerlind, Hesselstrand, Arkema, Holmqvist, Incidence and prevalence of systemic sclerosis globally: A comprehensive systematic review and meta-analysis, Rheumatology 2021:7

[13]GlobalData, Systemic Sclerosis: Global Drug Forecast and Market Analysis to 2030

# FINANCIAL INFORMATION

## Revenue

The company's revenue amounted to SEK 0.0 M (0.0) in the first quarter.

## Operating expenses/operating loss

Research and development costs totaled SEK 73.0 M (116.5) in the first quarter. The reduced R&D costs compared to the previous year are primarily a result of the focus within the clinical program.

Administrative expenses amounted to SEK 4.1 M (4.1) in the first quarter.

Other operating expenses, which mainly comprise foreign exchange differences on trade payables, were SEK -0.5 M (1.0) in the first quarter. Other operating expenses are mainly related to changes in the value of the Swedish krona against EUR.

The operating loss was SEK -77.6 M (-121.6) in the first quarter.

## Net financial income/expense

Net financial income/expense substantially consists of foreign exchange differences on the company's currency accounts and interest earned on short-term investments in fixed-rate accounts. Net financial income/expense for the period was positively affected by the sale of short-term investments totalling SEK 0.6 M. The total net financial income was SEK 1.6 M (4.1) for the first quarter.

## Earnings

Cantargia's loss before tax, which is the same as the loss for the period, was SEK -75.9 M (-117.5) for the first quarter.

## Cash flow and investments

Cash flow from operating activities was SEK -74.6 M (-120.7) in the first quarter. As part of cash flow from operating activities, changes in working capital were SEK -0.3 M (1.9) in the first quarter.

Cash flow from investing activities was SEK 39.7 M (75.0) in the first quarter. Cash flow from investing activities refers essentially to the reallocation of other short-term investments in fixed-rate accounts and fixed income funds.

Cash flow from financing activities was SEK 0.0 M (0.0) in the first quarter.

The total change in cash and cash equivalents was SEK -34.9 M (-45.7) for the first quarter.

## Financial position

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 155.4 M (205.7) 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 197.4 M (237.1). Total available funds, bank deposits and short-term investments amounted to SEK 352.8 M (442.8).

Cantargia's equity/assets ratio on 31 March 2023 was 77 (82) per cent and equity was SEK 315.0 M (417.1).

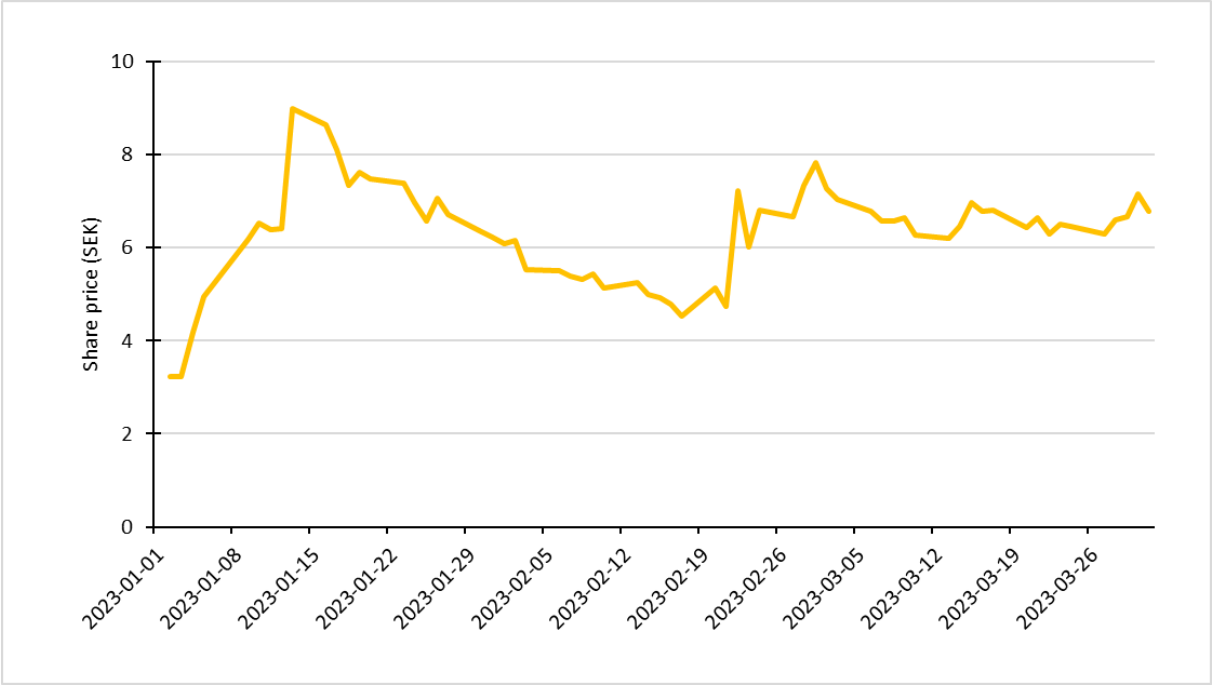
At the end of the period, total assets amounted to SEK 408.6 M (509.5).

# SHAREHOLDER INFORMATION

## Share information

As of 25 September 2018, Cantargia's shares have been listed on the main list of Nasdaq Stockholm, under the stock symbol "CANTA". On 31 March 2023, the number of shares was 166,987,895 (100,192,737).

### Share price performance in 2023



## Ownership distribution, 31 March 2023

| Owner | Number of shares | Capital/Votes (%) |
|---|---|---|
| Fjärde AP-fonden | 14 743 911 | 8,8% |
| Alecta Tjänstepension, Ömsesidigt | 12 240 992 | 7,3% |
| Första AP-fonden | 10 540 406 | 6,3% |
| Försäkringsaktiebolaget, Avanza Pension | 8 457 283 | 5,1% |
| Six Sis AG | 7 895 983 | 4,7% |
| Swedbank Robur Fonder | 6 302 958 | 3,8% |
| The Bank of New York Mellon SA | 4 232 707 | 2,5% |
| Nordnet Pensionsförsäkring | 2 352 676 | 1,4% |
| Handelsbanken fonder | 2 061 876 | 1,2% |
| Brushamn Invest Aktiebolag | 1 979 470 | 1,2% |
| Other | 96 179 633 | 57,6% |
| **Total** | **166 987 895** | **100,0%** |

## Ownership distribution by size class, 31 March 2023

| Holding | Number of shareholders | Number of shares | Capital/Votes (%) | Market Cap (kSEK) |
|---|---|---|---|---|
| 1 - 500 | 9 316 | 1 384 216 | 0,8% | 9 385 |
| 501 - 1 000 | 2 250 | 1 785 087 | 1,1% | 12 103 |
| 1 001 - 5 000 | 4 308 | 10 740 363 | 6,4% | 72 820 |
| 5 001 - 10 000 | 1 124 | 8 371 888 | 5,0% | 56 761 |
| 10 001 - 15 000 | 406 | 5 068 874 | 3,0% | 34 367 |
| 15 001 - 20 000 | 270 | 4 772 467 | 2,9% | 32 357 |
| 20 001 - | 720 | 134 865 000 | 80,8% | 914 385 |
| **Total** | **18 394** | **166 987 895** | **100,0%** | **1 132 178** |

# OTHER INFORMATION

## Employees

The average number of employees during the first quarter was 25 (28), of whom 15 (17) were women. Cantargia operates to a large extent through external partners.

## Financial calendar

- Interim report April-June, 22 August 2023
- Interim report July-September, 10 November 2023
- Year-end report 2023, 22 February 2024

## Review by auditors

The interim report has not been reviewed by Cantargia's auditors.

## Contact

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Interim reports and the annual report are available at www.cantargia.com.

Lund, 23 May 2023

Göran Forsberg
CEO

# STATEMENT OF COMPREHENSIVE INCOME

| SEK thousand | Note | 2023 Jan-Mar | 2022 Jan-Mar | 2022 Jan-Dec |
|---|---|---|---|---|
| **Operating income** | | | | |
| Net sales | | - | - | - |
| Other operating income | | - | - | - |
| | | **-** | **-** | **-** |
| **Operating expenses** | 6 | | | |
| Research and development costs | 5 | -72 984 | -116 449 | -364 686 |
| Administrative costs | | -4 112 | -4 126 | -14 964 |
| Other operating expenses | | -458 | -1 028 | -1 899 |
| | | **-77 554** | **-121 602** | **-381 549** |
| **Operating loss** | | **-77 554** | **-121 602** | **-381 549** |
| **Financial income and expense** | | | | |
| Interest income and similar items | | 1 639 | 4 133 | 9 740 |
| Interest expense and similar items | | - | - | -4 |
| | | **1 639** | **4 133** | **9 736** |
| **Loss before taxes** | | **-75 915** | **-117 469** | **-371 814** |
| **Loss for the period*** | | **-75 915** | **-117 469** | **-371 814** |
| Earnings per share before and after dilution (SEK) based on average number of shares | | -0,45 | -1,17 | -2,90 |

* No items are reported in other comprehensive income, meaning total comprehensive income is consistent with the loss for the period.

# STATEMENT OF FINANCIAL POSITION

| SEK thousand | Note | 31-03-2023 | 31-03-2022 | 31-12-2022 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Fixed assets** | | | | |
| ***Intangible assets*** | | | | |
| Patent | | 5 333 | 6 234 | 5 558 |
| | | **5 333** | **6 234** | **5 558** |
| ***Tangible assets*** | | | | |
| Machinery and equipment | | 6 758 | 2 465 | 7 395 |
| | | **6 758** | **2 465** | **7 395** |
| **Total fixed assets** | | **12 090** | **8 699** | **12 953** |
| **Current assets** | | | | |
| Other receivables | | 1 200 | 9 924 | 2 462 |
| Prepaid expenses and accrued income | | 42 468 | 48 105 | 32 714 |
| | | **43 668** | **58 029** | **35 176** |
| **Short-term investments** | | | | |
| Other short-term investments | | 197 370 | 237 078 | 237 095 |
| | | **197 370** | **237 078** | **237 095** |
| **Cash and bank balances** | | | | |
| Cash and bank balances | | 155 440 | 205 683 | 189 573 |
| | | **155 440** | **205 683** | **189 573** |
| **Total current assets** | | **396 478** | **500 790** | **461 845** |
| **TOTAL ASSETS** | | **408 568** | **509 489** | **474 798** |
| **EQUITY AND LIABILITIES** | | | | |
| ***Equity*** | | | | |
| *Restricted equity* | | | | |
| Share capital | | 13 359 | 8 015 | 13 359 |
| | | **13 359** | **8 015** | **13 359** |
| *Non-restricted equity* | | | | |
| Share premium account | | 1 623 185 | 1 404 595 | 1 623 185 |
| Retained earnings | | -1 245 594 | -877 992 | -875 046 |
| Loss for the period | | -75 915 | -117 469 | -371 814 |
| | | **301 676** | **409 134** | **376 325** |
| **Total equity** | | **315 035** | **417 149** | **389 684** |
| ***Long-term liabilities*** | | | | |
| Provision for social security contributions, incentive program | 8 | 293 | 858 | 24 |
| | | **293** | **858** | **24** |
| ***Short-term liabilities*** | | | | |
| Trade payables | | 55 707 | 27 298 | 37 910 |
| Tax liabilities | | 95 | 343 | 342 |
| Other liabilities | | 904 | 1 416 | 1 025 |
| Accrued expenses and deferred income | | 36 535 | 62 425 | 45 813 |
| | | **93 240** | **91 482** | **85 090** |
| **TOTAL EQUITY AND LIABILITIES** | | **408 568** | **509 489** | **474 798** |

# STATEMENT OF CHANGES IN EQUITY

| (kSEK) | | Restricted equity | Non-restricted equity | | Total |
|---|---|---|---|---|---|
| 1 January 2023 - 31 March 2023 | Note | Share capital | Share premium account | Retained earnings incl. Loss for the | Total equity |
| **Opening balance 1 January 2023** | | **13 359** | **1 623 185** | **-1 246 860** | **389 684** |
| ***Loss for the period*** | | - | - | -75 915 | -75 915 |
| ***Transactions with shareholders*** | | | | | |
| Employee stock option program | 8 | - | - | 1 265 | 1 265 |
| | | - | - | 1 265 | 1 265 |
| **Closing balance 31 March 2023** | | **13 359** | **1 623 185** | **-1 321 510** | **315 035** |
| **1 January 2022 - 31 March 2022** | | | | | |
| **Opening balance 1 January 2022** | | **8 015** | **1 404 595** | **-879 866** | **532 745** |
| ***Loss for the period*** | | - | - | -117 469 | -117 469 |
| ***Transactions with shareholders*** | | | | | |
| Employee stock option program | 8 | - | - | 1 873 | 1 873 |
| | | - | - | 1 873 | 1 873 |
| **Closing balance 31 March 2022** | | **8 015** | **1 404 595** | **995 462** | **417 149** |
| **1 Januari 2022 - 31 December 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 | | 5 344 | 245 138 | - | 250 482 |
| Capital acquisition cost | | - | -26 548 | - | -26 548 |
| Employee stock option program | 8 | - | - | 4 819 | 4 819 |
| | | 5 344 | 218 590 | 4 819 | 228 753 |
| **Closing balance 31 December 2022** | | **13 359** | **1 623 185** | **-1 246 860** | **389 684** |

# STATEMENT OF CASH FLOW

| SEK thousand | Note | 2023 Jan-Mar | 2022 Jan-Mar | 2022 Jan-Dec |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Operating loss | | -77 554 | -121 602 | -381 549 |
| Adjustments for non-cash items | 7 | 2 397 | 2 713 | 7 643 |
| Interest received etc. | | 920 | 48 | 388 |
| Interest paid etc. | | - | - | -4 |
| **Cash flow from operating activities before changes in working capital** | | **-74 238** | **-118 842** | **-373 523** |
| **Changes in working capital** | | | | |
| Change in receivables | | -8 491 | -26 728 | -3 876 |
| Change in trade payables | | 17 797 | -7 214 | 3 398 |
| Changes in other current liabilities | | -9 646 | 32 089 | 15 085 |
| | | **-340** | **-1 853** | **14 607** |
| **Cash flow from operating activities** | | **-74 577** | **-120 694** | **-358 915** |
| **Investing activities** | | | | |
| Acquisition of tangible assets | | - | -17 | -7 089 |
| Increase in other short-term investments | | -80 000 | -13 | -31 |
| Decrease in other short-term investments | | 119 726 | 75 000 | 75 000 |
| **Cash flow from investing activities** | | **39 726** | **74 970** | **67 880** |
| **Financing activities** | | | | |
| Issue of new shares for the year | | - | - | 250 482 |
| Capital acquisition cost | | - | - | -26 548 |
| **Cash flow from financing activities** | | **-** | **-** | **223 934** |
| **Change in cash and cash equivalents** | | -34 851 | -45 723 | -67 101 |
| **Cash and cash equivalents at beginning of period** | | 189 573 | 247 322 | 247 322 |
| Exchange rate difference in cash equivalents | | 720 | 4 085 | 9 352 |
| **Cash and cash equivalents at end of period*** | | **155 440** | **205 683** | **189 573** |

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

# KEY FIGURES

| SEK thousand | 2023 Jan-Mar | 2022 Jan-Mar | 2022 Jan-Dec |
|---|---|---|---|
| Net sales | - | - | - |
| Operating loss | -77 554 | -121 602 | -381 549 |
| Loss for the period | -75 915 | -117 469 | -371 814 |
| Average number of shares | 166 987 895 | 100 192 737 | 128 024 053 |
| Earnings per share before and after dilution (SEK) based on average number of shares | -0,45 | -1,17 | -2,90 |
| Change in cash and cash equivalents | -34 851 | -45 723 | -67 101 |
| Cash and cash equivalents | 155 440 | 205 683 | 189 573 |
| Short-term investments | 197 370 | 237 078 | 237 095 |
| Total available funds | 352 810 | 442 761 | 426 669 |
| Equity end of period | 315 035 | 417 149 | 389 684 |
| Equity/assets ratio, % | 77% | 82% | 82% |
| Average number of employees | 25 | 28 | 27 |
| Number of employees at end of period | 24 | 28 | 26 |
| R&D costs as a percentage of operating expenses | 94% | 96% | 96% |

## Key performance indicators, definitions

| | |
|---|---|
| Operating profit/loss, SEK thousand | Net sales less total operating expenses. |
| Earnings per share, SEK | Profit/loss for the period divided by average number of shares for the period. |
| Total available funds, SEK thousand | Cash and cash equivalents plus Short term investments. |
| Equity/assets ratio, % | Equity divided by total capital. |
| R&D costs as a percentage of operating expenses, % | Research and development costs divided by operating expenses. |

# NOTES

## Note 1 General information

This interim report refers to Cantargia AB (publ) ("Cantargia"), corporate ID number 556791-6019. Cantargia has no subsidiaries.

Cantargia is a Swedish public limited company with registered office in Lund, Sweden. The company's address is Ideon Gateway, Scheelevägen 27, SE-223 63 Lund.

The interim report was approved for publication on 23 May 2023 in accordance with a resolution of the Board of Directors on 22 May 2023.

## Note 2 Accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and IAS 34 Interim Financial Reporting. The accounting policies applied in preparing this interim report are consistent with those used in preparing the annual report for 2022.

The interim report has been prepared using the cost method. No IFRS or IFRIC interpretations that have not yet become effective are expected to have a material impact on the company. Cantargia applies the alternative performance measures issued by the European Securities and Markets Authority (ESMA).

## Note 3 Information on risks and uncertainties

### *Operational risks*

Research and drug development up to approved registration is subject to considerable risk and is a capital-intensive process. The majority of all initiated projects will never reach market registration due to the technological risk such as the risk for insufficiency efficacy, intolerable side effects or manufacturing problems. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profile, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by regulatory decisions, such as approvals and price changes. External factors such as COVID-19 may also impact the company negatively by hampering the company's possibilities to conduct clinical trials, get necessary regulatory approvals or conduct sales related activities. A more detailed description of the company's risk exposure and risk management can be found in the section "Risks and risk management" in the Directors' report on page 33 in the Annual Report for 2022.

### *Financial risk management*

Cantargia's financial policy governing the management of financial risks has been designed by the board of directors and represents the framework of guidelines and rules in the form of risk mandated and limits for financial activities. The company is primarily affected by foreign exchange risk since the main part of the development costs are paid in EUR and USD. In accordance with Cantargia's financial policy, the company exchanges cash into USD and EUR based on entered agreements in order to manage the currency exposure. For more information about the company's financial risk management see note 3 on page 49 in the Annual Report for 2022.

## Note 4 Critical judgements and estimates

The preparation of financial statements and application of accounting policies are often based on judgements, estimates and assumptions made by management which 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.

The critical judgements and estimates that are of the greatest importance for Cantargia are described in Note 4 on page 51 in the Annual Report for 2022.

## Note 5 Related party transactions

Cantargia has a research agreement with Lund University since 2021, where Gunilla Westergren-Thorsson, Professor in Lung Biology, is engaged in the research. Under the agreement, Gunilla Westergren-Thorsson, who is a related party of an insider at Cantargia, will conduct a project aimed at expanding the knowledge about IL1RAP as part of her employment at Lund University. Under the agreement, Cantargia has the right to use and, if applicable, take over all research results from the projects free of charge. During 2023, the company incurred a cost of SEK 0.0 thousand (650.0) under the agreement.

Cantargia is 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 the function of IL1RAP in tumors. Cantargia has the right to research results and IP arising from the project. Karin Leandersson is a member of Cantargia's Board of Directors and is also an insider at Cantargia. The CANFASTER programme centers on collaborations between industry and universities and is funded in equal parts by both parties. During 2023, the company incurred a cost of SEK 141.0 thousand (0.0) under the agreement.

The Board considers that the above agreement has been concluded on commercial terms.

## Note 6 Costs by nature of expense

On a "by nature" basis, the sum of expenses by function is distributed as follows.

| SEK thousand | 2023 Jan-Mar | 2022 Jan-Mar | 2022 Jan-Dec |
|---|---|---|---|
| Project costs | -59 452 | -101 660 | -306 691 |
| Other external expenses | -7 698 | -6 311 | -25 951 |
| Personnel expenses | -9 082 | -11 729 | -43 317 |
| Other operating expenses | -458 | -1 028 | -1 899 |
| Depreciation | -863 | -874 | -3 692 |
| | **-77 554** | **-121 602** | **-381 549** |

## Note 7 Adjustments for non-cash items

| SEK thousand | 2023 Jan-Mar | 2022 Jan-Mar | 2022 Jan-Dec |
|---|---|---|---|
| Depreciation | -863 | -874 | -3 692 |
| Employee stock option program | -1 534 | -1 839 | -3 951 |
| | **-2 397** | **-2 713** | **-7 643** |

## Note 8 Share-based incentive programs

*Employee stock option program*

The purpose of share-based incentive programs is to promote the company's long-term goals and to create opportunities for the company to retain competent personnel.

Cantargia currently has two active programs that covers the company's management, other employees, and consultants. These programs are the employee stock option program 2021/2024 approved at the Annual General Meeting 2021 and the employee stock option program 2020/2023 approved at the Annual General Meeting 2020.

For further information about these programs, see Note 19 in the Annual Report for 2022.

Below is a summary of the total number of shares that granted options may entitle to as of March 31, 2023. One warrant represents 1.2 potential ordinary shares.

Full exercise of granted options as of March 31, 2023, corresponding to a total of 5,292,400 shares, would result in a dilution of shareholders by 3.1 per cent. If decided, but not allotted options, a further total of 25,000 are fully exercised, it would result in a total dilution of shareholders of 3.1 per cent.

| **Changes in existing incentive programs during 2023 (number of warrants)** | |
|---|---|
| **Granted instruments** | |
| Employee stock option program 2021/2024 | 1 381 000 |
| Employee stock option program 2020/2023 | - |
| **Exercised instruments** | - |
| **Lapsed instruments** | |
| Employee stock option program 2021/2024 | -40 000 |
| Employee stock option program 2020/2023 | - |
| **Total change** | **1 341 000** |

| **Number of shares granted instruments may entitle to March 31, 2023*** | |
|---|---|
| Employee stock option program 2021/2024 | 3 192 000 |
| Employee stock option program 2020/2023 | 2 100 400 |
| **Number of shares granted instruments may entitle to** | **5 292 400** |

*Recalculation of employee stock option programs after the rights issue in 2022 means that each option entitles to 1.2 shares.

# SUBMISSION OF INTERIM REPORT

This is information that Cantargia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the Chief Executive Officer on 23 May 2023, at 8:30 a.m.

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