Interim Report Fourth Quarter 2024

October 1 – December 31

Kancera AB | Org.nr. 556806-8851

The period in brief

The period in brief
Significant events during the fourth quarter

- Kancera announced that the company is focusing its business on the field of cardiovascular diseases.
- Kancera reported that the patient recruitment in the ongoing clinical study in ovarian cancer (KANDOVA) is stopped and that top-line results are expected to be presented in the fourth quarter 2025.
- Kancera reported that Robert Edfors is appointed as Chief Medical Officer.

Significant events after the end of the period

- No significant events have been reported after the period.

October - December
Fourth quarter financial summary

- Net sales amounted to SEK 0 million (SEK 0 million).
- R&D expenses amounted to SEK 8,5 million (SEK 17,1 million).
- Operating loss for the quarter amounted to SEK –9,9 million (SEK -19,0 million).
- Loss after financial items for the quarter amounted to SEK –9,6 million (SEK -18,5 million).
- Basic and diluted earnings per share for the quarter amounted to SEK –0,08 (SEK -0,23).
- Cash flow from operating activities for the quarter amounted to SEK –11,6 million (SEK -12,5 million).
- Equity on December 31, 2024 amounted to SEK 62,3 million (SEK 47,7 million) or SEK 0,51 (SEK 0,58) per share.
- The equity/assets ratio on December 31, 2024 was 94 percent (73 percent).
- Cash and cash equivalents on December 31, 2024 amounted to SEK 46,4 million (SEK 45,7 million).

January – December
Financial summary for the full period

- Net sales amounted to SEK 0 million (SEK 0 million).
- R&D expenses amounted to SEK 40,0 million (SEK 58,0 million).
- Operating loss for the quarter amounted to SEK –46,2 million (SEK -65,0 million).
- Loss after financial items for the quarter amounted to SEK –44,6 million (SEK -64,9 million).
- Basic and diluted earnings per share for the quarter amounted to SEK –0,39 (SEK -0,81).
- Cash flow from operating activities amounted to SEK –58,5 million (SEK -55,7 million).
- Equity on December 31, 2024 amounted to SEK 62,3 million (SEK 47,7 million) or SEK 0,51 (SEK 0,58) per share.
- The equity/assets ratio on December 31, 2024 was 94 percent (73 percent).
- Cash and cash equivalents on December 31, 2024 amounted to SEK 46,4 million (SEK 45,7 million).

CEO Statement

"By focusing the company's resources on cardiovascular diseases, our opportunities to be successful and build long-term shareholder value increase."

Peter Selin, CEO

During the reporting period, Kancera announced the decision to focus its business on the clinical development in the field of cardiovascular diseases, initially with the focus on treatment of ST-elevation myocardial infarction (STEMI). The decision was taken based on the extensive analysis conducted and the results from our previous clinical studies and our market access research that shows there is a high unmet medical need and a significant market opportunity for our two candidate drugs KAND567 and KAND145. By focusing the company's resources on one therapeutic area, we increase our chances of success. We are convinced a focused strategy is the best way to ensure that Kancera is leveraging its pipeline in the best possible way and building long-term value for both patients and shareholders.

In the phase IIa **FRACTAL** study, KAND567 demonstrated an anti-inflammatory mode-of-action with the potential to protect the heart's microvascular function and thereby prevent intramyocardial hemorrhage. There is an emerging awareness that intramyocardial hemorrhage is strongly associated with an increased risk of cardiovascular events such as death and heart failure. Today, there is no available treatment to prevent intramyocardial hemorrhage, which means the medical need is significant and the healthcare system's willingness to pay for such therapy is considered high.

The next step in the clinical development plan is to conduct a phase IIb study with KAND567 in STEMI, a study we will refer to as FRACTIVE. The FRACTIVE study will be built on the design that proved to be successful in the phase IIa study. We are now working intensively with the preparations for conducting the study, e.g. with defining the study design and establishing the required collaborations with key opinion leaders, investigators, contract research organizations and contract manufacturers and to anchor the study design with regulatory authorities.

In parallel, our **business development** activities are ongoing to target potential industrial partners and specialist investors with the objective to finance the clinical development towards market approval and commercialization.

As a result of the strategic decision to focus on cardiovascular diseases, Kancera will discontinue its own research and development in the field of oncology, after the completion of the ongoing **KANDOVA** study. During the period, we reported that the patient recruitment to the KANDOVA study, a combined phase Ib/II-study in ovarian cancer, was stopped. A total of 18 patients were recruited to the study and we believe that this is a sufficient number of patients to meet the primary study objective, to demonstrate safety and tolerability and define the recommended dose. All patients recruited will be able to finalize all treatment cycles according to the study protocol until the study is completed. We expect that top-line results from the KANDOVA study will be presented in the fourth quarter 2025.

The **operating loss** for the quarter amounted to -9,9 million SEK, a significant reduction compared to the same period last year (-19,4 million). The operating loss is primarily driven by R&D expenses, which amounted to 8,5 million SEK (17,1 million), consisting of inhouse R&D personnel and external expenses for outsourced R&D and manufacturing. The reduced R&D costs compared to the previous year is primarily explained by the FRACTAL study and KAND145 phase I study, which were ongoing in 2023 but ended in 2024.

The **operating cash flow** during the quarter amounted to – 11,6 million SEK (-12,5 million) and **cash** amounted to 46,4 million SEK (45,7 million) at the end of the reporting period. Our expectation is that the current cash is sufficient to finance the company's ongoing business, including the completion of the KANDOVA study, for the upcoming twelve months.

Finally, I would like to take the opportunity to summarize the important operational results Kancera delivered during 2024:

- The first clinical study with KAND145, the company's second generation fractalkine blocker and a pro-drug to KAND567, was successfully completed. The results demonstrated that KAND145 is quickly and effectively converted to KAND567 in the body as expected and following the conversion the pharmacokinetic profile is similar to when dosing with KAND567. The results from this first-in-human study with KAND145 are a very important milestone for Kancera and validate our strategy to use KAND567 as the lead program in the clinical development and later switch to KAND145. We can now continue to work in line with this strategy and prepare for upcoming clinical studies in acute myocardial infarction patients.

- The first part of the KANDOVA study, phase Ib, was successfully completed and the recommended phase II dose was defined. In addition to demonstrating that the selected dose results in the targeted concentration with a favorable safety profile in ovarian cancer, the KANDOVA study is generating data that is valuable for the fractalkine program in general and the continued development in cardiovascular diseases.

- The statistical calculations and detailed analysis of the results from the FRACTAL study were completed and presented at the European Society of Cardiology conference in London in September 2024, the world's biggest conference in the field of cardiovascular diseases. In parallel, we conducted extensive clinical development activities concerning product positioning and the preliminary study design of upcoming planned phase IIb and III studies in acute myocardial infarction.

As we now enter 2025, we are working intensively with our preparations for the planned FRACTIVE study, in parallel with our business development activities targeting potential industrial partners and specialist investors to support our strategy going forward.

Peter Selin, CEO
Solna February 21, 2025
Kancera AB

About **Kancera**

Leader in the development of a new class of drugs for life-threatening diseases that lack effective treatment

Kancera develops drugs for life-threatening diseases that currently lack effective treatments. The company conducts its operations within Karolinska Institutet Science Park in Solna. Kancera's vision is to develop new drugs that contribute to better treatments and a normalized life for patients. The company is developing a new class of small molecule drug candidates for the treatment of severe inflammatory conditions and cancer. This new class of drugs includes the drug candidates KAND567 and KAND145, which control disease-promoting immune cells and cancer cells with high precision, by blocking the so-called fractalkine axis. Kancera sees great business opportunities for these drug candidates in several disease areas but focuses on heart injuries caused by inflammation in connection with myocardial infarction. Due to severe complications and high mortality, the unmet medical need is high, which in the long run means significant market opportunities for new drugs that can contribute to more effective treatments.

Kancera's management has extensive expertise and experience in translating discoveries of new disease mechanisms into drug candidates and developing these through clinical studies until market approval. Since its foundation in 2010, Kancera has researched, patented and published several new disease mechanisms and preclinical drug candidates. The company has subsequently demonstrated the ability to advance these preclinical projects into clinical development and demonstrated efficacy in humans.

Kancera currently has three clinical projects:

- KAND567 in patients with acute myocardial infarction (ST-elevation myocardial infarction) undergoing percutaneous coronary intervention aiming to protect the microvascular function and reduce the risk of mortality, heart failure or other complications caused by intramyocardial hemorrhage. In December 2023, Kancera reported positive overall results from a phase IIa study. The company intends to advance the program and is currently working on the preparations for the FRACTIVE study, an upcoming planned phase IIb study.

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- KAND567 in patients with ovarian cancer with relapse after treatment with platinum-based chemotherapy. Kancera is currently conducting a combined phase Ib/IIa study, the so-called KANDOVA study. The first part of the study, phase Ib, with the objective to define the recommended dose, was completed in July 2024 and the second part of the study, phase IIa, is ongoing. Kancera has announced that the company will focus on cardiovascular diseases. In line with this decided strategic direction, no further development in the field of oncology will be conducted after the completion of the KANDOVA study.

- A phase I study with KAND145 in healthy subjects: the first clinical study with the company's second generation fractalkine-blocking drug candidate. The company reported positive top-line results in May 2024 and the final study report was finalized in December 2024.

Business model

Kancera's business model is to develop innovative drug candidates with strong intellectual property protection, demonstrate efficacy in patients and, by virtue of these results, enter into financial or industrial partnerships to develop the candidate drugs up until market approvals.

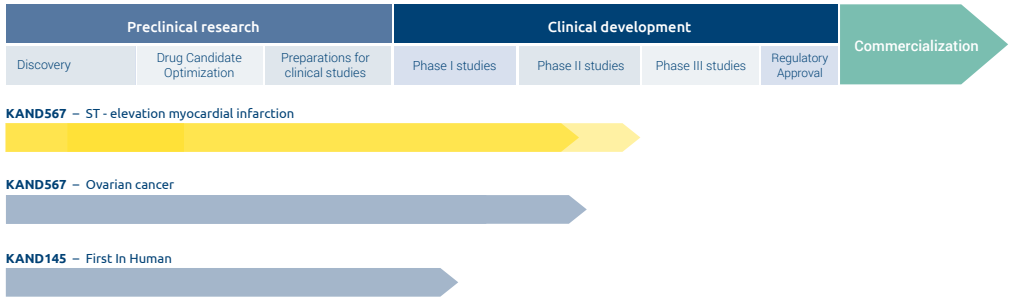
Financial partnering means that life science-focused specialist investors partner with Kancera to become long-term investors in the company and assume a larger ownership share, in many cases as active owners.

Industrial partnering means that Kancera out-licenses rights to development and commercialization in defined territories, in exchange for revenue in the form of payment upon signing the agreement, milestone payments and royalty revenue on partners' sales.

Pipeline

Kancera is developing a new class of drugs for life-threatening diseases that lack effective treatment

Kancera's pipeline



KAND567 of myocardial infarction

In December 2023, Kancera reported positive overall results from the FRACTAL study, an exploratory phase IIa study in patients with acute myocardial infarction (ST-elevation myocardial infarction) undergoing percutaneous coronary intervention (PCI) and reported that:

- the primary objective was met - to demonstrate safety and tolerability, and also that
- the secondary objective was met - to show signals of cardio- protective effect.

The results demonstrated a reduced incidence of intramyocardial hemorrhage in the group treated with KAND567. Intramyocardial hemorrhage has in several independent clinical studies proved to be associated with a significant increased risk of death and heart failure.

In the study, patients in the active arm were treated with KAND567 by an initial intravenous bolus dose before the PCI was initiated. After PCI, the patient continued to receive an intravenous infusion of KAND567 for approximately 6 hours, after which treatment switched to peroral dosing for up to 72 hours. Patients in the control arm received placebo instead of KAND567. After completion of treatment, follow-up by MRI was performed on two occasions: Day 3 and Day 90. A total of 71 patients were recruited to the study and all were included in the basis for evaluation of safety and tolerability. 61 patients underwent MRI on day 3 and were included in the basis for evaluation of cardioprotective effect.

Kancera now intends to advance the program and is currently working on preparations for an upcoming planned phase IIb study, called FRACTIVE. The phase IIb study will have a similar study design as in the FRACTAL study, but with a larger number of patients in order to demonstrate efficacy with statistical power.

KAND567 in ovarian cancer

The KANDOVA study is an ongoing single-arm, open-label, multi-center combined Phase Ib/IIa study with KAND567 in combination with carboplatin (platinum-based chemotherapy) in ovarian cancer patients with relapse after carboplatin therapy. The study is being conducted at five university hospitals in Sweden, Norway and Denmark and is being conducted in collaboration with the clinical trials unit within NSGO, a collaborative organization for the leading university hospitals and investigators in the Nordic region in gynaecological oncology.

Treatment with KAND567 takes place for two weeks in conjunction with each infusion of carboplatin, which occurs every three weeks. The first part of the KANDOVA study, phase Ib, has a dose escalation design aimed to define the recommended phase II dose.

The primary objective of the study is to evaluate safety and tolerability. The secondary objective is to evaluate the signal of anti-tumor effect from treatment with KAND567 in combination with carboplatin. In addition, a large number of exploratory endpoints are studied. The first part of the study, phase Ib, was completed in July 2024 and part two of the study, phase IIa, is ongoing. The patient recruitment has been stopped and

18 patients in total have been recruited to the study. Top-line results are expected to be presented during the fourth quarter 2025. In line with the strategic decision to focus on cardiovascular diseases, no further development in the field of oncology will be conducted after the completion of the KANDOVA study.

KAND145 in healthy subjects

The study, which is the first clinical study with KAND145, is a randomized, double-blind, placebo-controlled Phase I study of KAND145 in healthy subjects with the objective to evaluate safety, tolerability, pharmacokinetics, food efficacy during single and multiple ascending dosing, and interaction with CYP3A4 metabolizing drugs in connection with multiple ascending dosing of KAND145. The study has been conducted at two sites in Finland.

Kancera has reported positive top line results from the study that show that:

- KAND145 is rapidly and effectively converted into KAND567 in human and after conversion the pharmacokinetics are similar to when dosing with KAND567.
- KAND145 is safe and tolerable at a dose level that significantly exceeds the level expected to be therapeutically active against inflammatory conditions in cardiovascular diseases.
- Safety, tolerability and pharmacokinetics are not affected by food and KAND145/KAND567 is a weak inhibitor with low risk of interference with CYP3A4 metabolizing drugs.

The results constitute an important milestone with the demonstration in human that the mechanism of action of KAND145 corresponds to that of KAND567. This validates Kancera's strategy of evaluating the treatment concept with fractalkine blockers through KAND567, in parallel with the first clinical studies with KAND145 being conducted.

Kancera now intends to conduct further formulation development of KAND145, from the liquid solution that was used in the first-in-human study in healthy subjects, to an oral formulation that is adapted for treatment of acute myocardial infarction.

For additional information about projects and market outlooks, see Annual Report 2023 on Kancera's website www.kancera.com

International Non-proprietary Names

KAND567 and KAND145 are Kancera's internal project names for its candidate drugs. International Non-proprietary Names (INN) are granted by WHO (globally ex-US) and USAN (US).

In May 2024, the International Non-proprietary Names for KAND567 and KAND145 were decided by the WHO. In this decision, the company's candidate drugs were granted a new name suffix, reflecting the view of WHO that they represent a new class of drugs with a new mode of action.

Granting of INNs from USAN is expected during the fourth quarter of 2025. Up until the application process has been completed, which includes formal procedures for other companies to object to WHO's and USAN's decisions, Kancera will not publicly use the INNs.

Financial development in summary

Kancera Group	Oct 1 - Dec 31		Jan 1 - Dec 31	
KSEK (unless otherwise specified)	2024	2023	2024	2023
Net sales	0	0	0	0
Other operating revenues	14	443	14	1 035
Operating expenses	-9 923	-19 429	-46 174	-66 077
R&D expenses	-8 474	-17 056	-39 952	-57 989
Operating Income	-9 910	-18 986	-46 161	-65 042
Income after financial items	-9 639	-18 468	-44 566	-64 889
Net income	-9 639	-18 468	-44 566	-64 889
Cash flow from operations	-11 564	-12 528	-58 531	-55 672
Cash	46 362	45 692	46 362	45 692
Equity	62 300	47 665	62 300	47 665
Key ratios				
R&D costs as share of total costs	85%	88%	87%	88%
Earnings per share, before and after dilution (SEI	-0,08	-0,23	-0,39	-0,81
Cash flow per share (SEK)	-0,10	-0,15	-0,51	-0,70
Equity per share (SEK)	0,51	0,58	0,51	0,58
Total assets	66 364	65 643	66 364	65 643
Equity ratio	94%	73%	94%	73%
No. of employees	5	3	5	3

Comments on financial development

As described in the section About Kancera, the company's business model is to develop drug candidates, demonstrate efficacy in patients in clinical studies and, by virtue of these results, enter into financial and industrial partnerships. In the event of industrial partnerships, i.e. when out-licensing development and commercialization rights to other pharmaceutical companies, Kancera may earn revenues in the form of milestone payments and royalty revenues.

As the company has not yet entered into any industrial partnerships, the company does not yet have any revenue in the form of milestone payments or royalty revenues. Until the company enters into such industrial partnerships, the company's operations are financed through raising capital, primarily on the stock exchange. Since 2016, Kancera has been listed on Nasdaq First North Premier Growth Market.

The company's costs consist mainly of operational costs for research and development. Research refers to preclinical research studies and development refers to clinical studies of the company's drug candidates. The costs of conducting clinical studies are significantly higher than preclinical research, and as the company's drug candidates have advanced into the clinical development phase, the company's operational costs have increased. During the reporting period, the company has had three projects in clinical development phases (read more in the section "Kancera's project portfolio").

Revenue and earnings
Fourth quarter, October - December 2024

- Net sales for the quarter amounted to SEK 0 million (SEK 0 million).
- Costs during the quarter amounted to SEK 9,9 million (SEK 19,4 million).
- R&D costs amounted to SEK 8,5 million (SEK 17,1 million), which constitute the cost of the company's inhouse R&D personnel and external costs for outsourced R&D and manufacturing. R&D costs are primarily related to the ongoing clinical phase IIa study in ovarian cancer (KANDOVA) and preparations for an upcoming planned phase IIb study in acute myocardial infarction. The lower R&D costs compared to the same period in the previous year is primarily explained by higher costs in the KAND145 phase I study in 2023.
- The remaining costs are related to sales, general & administration expenses that amounted to SEK 1,4 million (SEK 2,4 million). The company has no product sales and sales expenses are primarily related to business development activities.
- The operating loss for the quarter was SEK -9,9 million (SEK -19,0 million).
- Loss after financial items for the quarter amounted to SEK –9,6 million (SEK -18,5 million).
- Earnings per share for the quarter, based on a weighted average of the number of outstanding shares, amounted to SEK –0,08 (SEK -0,23).

The full period, January - December 2024

- Net sales amounted to SEK 0 million (SEK 0 million).
- Operating expenses amounted to SEK 46,2 million (SEK 66,1 million).
- R&D costs amounted to SEK 40,0 million (SEK 58,0 million). The lower R&D costs compared to the same period in the previous year is explained by higher costs in all three clinical studies that were ongoing in 2023, i.e. the FRACTAL study, the KANDOVA study and the KAND145 phase I study.
- Other costs are related to sales, general & administration that amounted to SEK 6,2 million (SEK 8,1 million).
- The operating loss amounted to SEK -46,2 million (SEK -65,0 million).
- Loss after financial items amounted to SEK –44,6 million (SEK -64,9 million).
- Earnings per share, based on a weighted average of the number of outstanding shares, amounted to SEK –0,39 (SEK -0,81).

Consolidated statement of comprehensive income

Consolidated statement of comprehensive Income

	Oct 1- Dec 31		Jan 1 - Dec 31	
KSEK	**2024**	**2023**	**2024**	**2023**
Operating revenues				
Other operating revenues	14	443	14	1 035
Total revenues	**14**	**443**	**14**	**1 035**
Operating expenses				
G&A expenses	-1 231	-1 787	-5 150	-6 347
M&S expenses	-218	-586	-1 073	-1 741
R&D expenses	-8 474	-17 056	-39 952	-57 989
Total operating expenses	**-9 923**	**-19 429**	**-46 174**	**-66 077**
Operating income	**-9 910**	**-18 986**	**-46 161**	**-65 042**
Income before financial items				
Financial net	271	518	1 595	153
Income after financial items	**-9 639**	**-18 468**	**-44 566**	**-64 889**
Tax				
Net income	**-9 639**	**-18 468**	**-44 566**	**-64 889**
Average number of shares (thousands), before and after dilution	121 186	81 506	115 332	79 620
Number of shares at closing date (thousands)	121 186	81 506	121 186	81 506
Earnings per share, before and after dilution	-0,08	-0,23	-0,39	-0,81

Condensed consolidated statement of financial position

Condensed consolidated statement of financial position

Kancera Group

KSEK	Dec 31	
	2024	2023
Assets		
Non-current assets		
Intangible assets		
Capitalized R&D	18 000	18 000
Financial assets		
Financial placements	1	1
Total non-current assets	**18 001**	**18 001**
Current assets		
Trade receivables and other receivables	2 001	1 950
Cash and cash equivalents	46 362	45 692
Total current assets	**48 363**	**47 642**
Total assets	**66 364**	**65 642**
Equity and Liabilities		
Equity		
Equity	62 300	47 665
Total equity	**62 300**	**47 665**
Liabilities		
Short-term liabilities	4 064	17 978
Total liabilities	**4 064**	**17 978**
Total equity and liabilities	**66 364**	**65 643**

Statement of changes in equity

Consolidated report on changes in equity

Kancera Group, Jan 1 2023 - Dec 31 2023 *KSEK*	Share capital	Other capital contributions	Accumulated deficit	Total equity
Fourth quarter				
Inboing balance Oct 1 2023	67 921	44 617	-46 421	66 119
Comprehensive income				
Net income for the period			-18 468	-18 468
Total comprehensive income			-18 468	-18 468
Transactions with shareholders	0	0		
Capital injection costs		15		15
Ongoing share issue				0
Total transactions with shareholders	0	15		15
Closing balance 2023-12-31	**67 921**	**44 632**	**-64 889**	**47 667**
The period January - December				
Ingoing balance Jan 1 2023	**66 273**	**93 122**	**-52 484**	**106 911**
Comprehensive income				
Appropriation of last year´s net income		-52 484	52 484	
Net income for the period			-64 889	**-64 889**
Total comprehensive income	0	-52 484	-12 405	-64 889
Transactions with shareholders				
Capital injections	1 648	4 284		5 932
Capital injection costs		-290		-290
Ongoing share issue				0
Total transactions with shareholders	1 648	3 994		5 642
Outgoing balance Dec 31 2023	**67 921**	**44 632**	**-64 889**	**47 665**

Statement of changes in equity (cont´d)

Kancera Group, Jan 1 2024 - Dec 31 2024				
KSEK	Sharecapital	Other capital contributions	Accumulated deficit	Total equity
Fourth quarter				
Ingoing balance Oct 1 2024	11 778	95 088	-34 927	71 939
Comprehensive income				
Appropriation of last year´s net income				
Net income for the period			-9 639	-9 639
Total comprehensive income			-9 639	-9 639
Outgoing balance Dec 31 2024	**11 778**	**95 088**	**-44 566**	**62 300**
The period January-December				
Ingoing balance Jan 1 2024	**7 921**	**44 632**	**-4 888**	47 665
Comprehensive income				
Appropriation of last year´s net income		-45 686	4 888	
Net income for the period			-44 566	-44 566
Total comprehensive income	0	-45 686	-44 566	-44 566
Transactions with shareholders				
Capital injections	3 857	69 155		73 012
Capital injection costs		-13 811		-13 811
Total transactions with shareholders	3 857	55 345	0	59 202
Outgoing balance Dec 31 2024	**11 778**	**95 088**	**-44 566**	**62 300**

Cash flow statement

Condensed consolidated statement of cash flow				
KSEK	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2024	2023	2024	2023
Cash flow from operations				
Operating income after financial items	-9 910	-18 986	-46 161	-65 042
Depreciation	0	0	0	3 000
Other non-cash flow items	0	-260	0	13
Cash flow from operating activities before	**-9 910**	**-19 246**	**-44 566**	**-61 876**
change in working capital				0
Change in working capital	-1 925	6 200	-13 966	6 204
Operating cash flow	**-11 835**	**-13 046**	**-58 531**	**-55 672**
Free cash flow	**-11 835**	**-13 046**	**-58 531**	**-55 672**
Financing activities				
Issue of shares/other capital infusions	0	-35	59 201	6 215
Repayment of loans	0	0	0	0
Cash flow from financing activities	**0**	**-570**	**59 201**	**6 215**
Total cash flow	**-11 835**	**-13 616**	**670**	**-49 457**
Cash and cash equivalents at the beginning of the period	57 926	58 220	45 692	95 149
Cash and cash equivalents at the end of the period	46 362	45 692	46 362	45 692

Condensed income statement
parent company

Condensed Parent Company Income Statement

The Parent Company Kancera AB

KSEK	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2024	**2023**	**2024**	**2023**
Operating revenues				
Other operating revenues	14	443	14	1 035
Total revenue	14	443	14	1 035
Gross profit	**14**	**443**	**14**	**1 035**
Operating expenses				
G&A expenses	-1 231	-1 787	-5 150	-6 347
M&S expenses	-218	-586	-1 073	-1 741
R&D expenses	-8 474	-17 056	-39 952	-57 989
Total operating expenses	**-9 923**	**-19 429**	**-46 174**	**-66 077**
Operating income	**-9 910**	**-18 986**	**-46 161**	**-65 042**
Income before financial items				
Financial net	271	518	1 595	153
Income after financial items	**-9 639**	**-18 468**	**-44 566**	**-64 889**
Tax	0	0	0	0
Net income	**-9 639**	**-18 468**	**-44 566**	**-64 889**

Condensed balance sheet
parent company

Condensed Parent Company Balance Sheet

The Parent Company Kancera AB

KSEK

	Dec 31	
Assets	2024	2023
Non-current Assets		
Intangible assets		
Capitalized R&D	18 000	18 000
Financial assets		
Shares in subsidiaries	50	50
Financial placements	1	1
Total non-current assets	**18 051**	**18 051**
Current assets		
Intercompany receivables	2	2
Trade receivables and other rec	1 999	1 948
Cash and cash equivalents	46 312	45 642
Total current assets	**48 313**	**47 592**
Total assets	**66 364**	**65 643**
Equity and Liabilities		
Equity	62 300	47 665
Total equity	**62 300**	47 665
Liabilities		
Short-term liabilities	4 064	17 978
Total liabilities	**4 064**	**17 978**
Total equity and liabilities	**66 364**	**65 643**

Financial position and cash flow

Balance sheet and cash flow

- Equity on December 31, 2024 amounted to SEK 62,3 million (SEK 47,7 million).
- The equity/assets ratio on December 31, 2024 was 94 percent (73 percent).
- Equity per share was SEK 0,51 (0,58).
- Cash flow from operating activities amounted to SEK –11,6 million (SEK -12,5 million) or SEK –0,10 per share (SEK -0,15). The negative cash flow was significantly reduced compared to the third quarter (SEK -17,8 million) in line with the company's ambition to carefully manage the cash position.
- Cash and cash equivalents on December 31, 2024 amounted to SEK 46,4 million (SEK 45,7 million). The company expects that current cash is sufficient to finance the base business plan up until Q1 2026.

Employees

Kancera AB had 5 (3) permanent employees as of December 31, 2024, of which 4 (3) are men and 1 (0) are women.

Investments and depreciations

Intangible assets in the balance sheet amount to a total of SEK 18,0 million (SEK 18,0 million), which is related to the acquisition of the fractalkine program. The item is the sum of three off-set issues carried out under acquisition agreements. The valuation of intangible assets in the balance sheet is thus a result of the contractual terms at the time of the acquisition of the program and not the market valuation of KAND567 and KAND145. For a description of the market outlook for these two drug candidates, please refer to this section of the Annual Report for 2023.

The Board of Directors conducts an impairment test on an ongoing basis and at least once a year to ensure that capitalized values are justified. As of December 31, 2024, there are no further indications of a decline in value. No investments were made in intangible or fixed assets during the quarter.

The Group

The Kancera Group consists of two companies, the parent company Kancera AB (publ), in which all research and product development takes place, and the wholly-owned subsidiary Kancera Förvaltning AB. The parent company of the Group is the Swedish public limited liability company Kancera AB (publ.), whose shares are listed on Nasdaq First North, Premier Segmentet as of October 28, 2016. Kancera Förvaltning AB is a dormant company.

Share capital and share

On September 30, 2024, the share capital amounted to SEK 11 778 016 (SEK 67 921 499) divided into 121 186 228 (81 505 799) shares with a quota value of SEK 0,10 (0,83) per share. The decrease of the share capital is attributable to the decision made at the Annual General Meeting in May 2023, that was filed with the Swedish Companies Registration Office (Sv. Bolagsverket) in November 2023. The increase in the number of shares is attributable to the new share issue that was conducted in March 2024.

Tax deficit

Kancera AB's current operations are initially expected to result in negative earnings and tax losses. At present, there are no sufficiently convincing reasons to suggest that there will be tax surpluses in the future that would justify capitalizing the value of the losses, and no deferred tax assets have been recognized. In the event of a sale of a drug candidate, it is expected that it will be possible to recognize gains that are currently considered to be offset for tax purposes against previous years' tax losses, which would entail a low tax burden for the company when a project is sold. The tax losses amounted to SEK 527,6 million as of 31 December 2023. No deferred tax assets are reported for these tax losses.

Notes

Note 1: Accounting and valuation principles

The interim report for the Group has been prepared in accordance with IAS 34 and the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with RFR 2 and the Annual Accounts Act.

The Group's and the Parent Company's accounting and valuation principles as well as the calculation bases for the report are unchanged compared with the most recent annual report for the financial year ended 31 December 2023 and should be read in conjunction with it.

Kancera continuously expenses all costs for research and development as they arise and does not capitalize them as intangible assets. The same applies to manufacturing costs that are expensed when they are incurred and not capitalized as inventory assets.

Amounts are stated in Swedish kronor, rounded off to the nearest thousand unless otherwise stated. Rounding to thousands of kronor can mean that the amounts do not add up. Amounts and figures in parentheses refer to comparative figures for the corresponding period of the previous year.

Note 2: Related-party transactions

There were no transactions with related parties during the period.

Note 3: The Group's operations and risk factors

When assessing the Group's future development, it is important to consider risk factors in addition to potential earnings growth. The Group's operations are affected by a number of risks that may have an effect on the Group's earnings and financial position to varying degrees. For a description of the Group's risks, please refer to the section Risks and risk management in the Annual Report for 2023.

The Company believes that external factors have only limited direct effect on the Company's operations and costs, but that the current macroeconomic situation and the situation in the financial markets mean that there is an increased risk that any raising of capital needs to be carried out with a high dilution of the votes in relation to capital contributed.

The company makes the assessment that the current cash is sufficient to finance ongoing R&D activities up until Q1 2026, but that start of new development activities is subject to a capital injection.

Note 4: Definitions of key ratios

Alternative performance measures

In addition to the financial key ratios prepared in accordance with IFRS, Kancera AB presents financial key ratios that are not defined in accordance with IFRS. Alternative performance measures are considered to be important results and performance indicators for investors and other users of the interim report. The alternative performance measures should be seen as a complement to, but not a replacement for, the financial information prepared in accordance with IFRS. Because not all companies calculate financial measures in the same way, they are not always comparable to measures used by other companies. Key ratios are presented on p.8, Financial development in summary.

Share of R&D in total costs

The figure provides information on the extent to which the company's costs relate to the core business. This gives a picture of cost allocation and an indication of how large a part of the total costs is related to administration.

Equity per share

Calculated by dividing Equity by the number of shares on the balance sheet date. The change in the number between the years gives an indication that changes have taken place in the company's equity, for example whether a new share issue has been carried out and how much of such a capital injection remains on the balance sheet date.

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

Equity ratio
Shareholders' equity as a percentage of total assets. The key figure shows how much of the assets have been financed through equity and thus clarifies the company's financial strength.

Note 5: Significant events after the end of the period

- No significant events have been reported after the period.

Declaration by the Board of Directors

The Board of Directors and the CEO ensure that the interim report provides a fair overview of the company's and the Group's operations, financial position and results and describes the significant risks and uncertainties facing the company and the Group.

Stockholm, February 21, 2025

Erik Nerpin
Chairman

Håkan Mellstedt
Board member

Charlotte Edenius
Board member

Thomas Olin
Board member

Carl-Henrik Heldin
Board member

Anders Gabrielsen
Board member

Petter Brodin
Board member

Peter Selin
CEO

This interim report has not been subject to review by the company's financial auditor.

Upcoming reporting dates

2025 29 April — Annual Report, 2024

2025 23 May — Interim Report January – March 2025

2025 26 May — Annual General Meeting

2025 28 August — Interim Report April – June 2025

2025 21 November — Interim Report July – September 2025

All financial reports are available at Kancera's website: https://kancera.com/en/investor-relations/financial-reports/

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