Interim Report Third Quarter 2024

July 1 – September 30, 2024

Kancera AB | Org.nr. 556806-8851

The period in brief

The period in brief
Significant events during the third quarter

- Kancera reported that the first part of the ongoing KANDOVA-study, phase Ib, has been successfully completed and that the second part, phase IIa, has been initiated.
- Kancera reported that the statistical analysis and the analysis of potential drug interaction effects have been finalized in the KAND145 phase I study.
- Kancera reported that detailed analyses of data in the FRACTAL-study support the previously reported positive top-line results and that the results were presented at the European Society of Cardiology's annual conference in London on September 2.

Significant events after the end of the period

- Kancera has announced that the company is focusing its business and development of KAND567 and KAND145 to the field of cardiovascular diseases.
- Kancera has reported that the patient recruitment in the ongoing clinical study in ovarian cancer (KANDOVA) is stopped.
- Kancera has reported that Robert Edfors is appointed as Chief Medical Officer.

July – September
Third quarter financial summary

- Net sales amounted to SEK 0 million (SEK 0 million).
- R&D expenses amounted to SEK 10,2 million (SEK 9,2 million).
- Operating loss for the quarter amounted to SEK –11,5 million (SEK -10,5 million).
- Loss after financial items for the quarter amounted to SEK –11,1 million (SEK -10,7 million).
- Basic and diluted earnings per share for the quarter amounted to SEK –0,09 (SEK -0,13).
- Cash flow from operating activities for the quarter amounted to SEK –17,8 million (SEK -8,8 million).
- Equity on September 30, 2024 amounted to SEK 71,9 million (SEK 66,1 million) or SEK 0,59 (SEK 0,81) per share.
- The equity/assets ratio on September 30, 2024 was 93 percent (84 percent).
- Cash and cash equivalents on September 30, 2024 amounted to SEK 57,9 million (SEK 58,2 million).

January – September
Financial summary for the full period

- Net sales amounted to SEK 0 million (SEK 0 million).
- R&D expenses amounted to SEK 31,5 million (SEK 40,9 million).
- Operating loss for the quarter amounted to SEK –36,3 million (SEK -46,1 million).
- Loss after financial items for the quarter amounted to SEK –34,9 million (SEK -46,4 million).
- Basic and diluted earnings per share for the quarter amounted to SEK –0,31 (SEK -0,57).
- Cash flow from operating activities amounted to SEK –47,0 million (SEK -42,5 million).
- Equity on September 30, 2024 amounted to SEK 71,9 million (SEK 66,1 million) or SEK 0,59 (SEK 0,81) per share.
- The equity/assets ratio on September 30, 2024 was 93 percent (84 percent).
- Cash and cash equivalents on September 30, 2024 amounted to SEK 57,9 million (SEK 58,2 million).

CEO Statement

"Based on our previous positive top-line results in the FRACTAL-study and significant commercial potential, we will now focus on cardiovascular diseases."

Peter Selin, CEO

Recently Kancera announced its strategic decision to focus on cardiovascular diseases. Short term, this decision means that the company's resources will be focused on ST-elevation myocardial infarction (STEMI) and build on the previous positive phase IIa-results in the **FRACTAL**-study. In this clinical phase IIa study, it was demonstrated that KAND567's anti-inflammatory mode of action has the potential to reduce intramyocardial hemorrhage following primary percutaneous coronary intervention (PCI). There is an emerging awareness that intramyocardial hemorrhage is strongly associated with an increased risk of mortality and heart failure. Today, there is no treatment available to prevent intramyocardial hemorrhage so the medical need for an effective drug is high. We therefore believe that there are good opportunities to position an upcoming product as part of the standard-of-care for high-risk STEMI patients undergoing primary PCI.

After the FRACTAL top-line results were presented, Kancera has conducted extensive market access research and development concerning the product positioning of our candidate drugs KAND567 and KAND145 in STEMI. Based on the preliminary positioning we have developed a high-level development plan up until market approval, which includes:

- A randomized blinded phase IIb study with primary endpoints to evaluate cardio-protective effects measured with magnetic resonance imaging (MRI), A phase IIb study will have a similar study design to the FRACTAL-study, but with a patient population big enough to demonstrate efficacy with statistical significance. In order to obtain the fastest possible start and execution of the study, we intend to conduct the study with KAND567.
- In parallel with a phase IIb study in STEMI, a repeated phase I study of a peroral KAND145 administration, in order to enable a switch to KAND145 in connection with a phase III study.
- A randomized blinded phase III study with KAND567 for i.v. administration and KAND145 for peroral administration in a larger patient population with major adverse cardiovascular events (MACE) as primary endpoint.

Our development activities have also included primary market access research, through interviews with:

- regulatory experts that verify that our clinical development plan is in line with the anticipated regulatory requirements of the FDA and EMA for market approvals.
- US payers that suggest that there is a high willingness to pay for KAND567 and KAND145, if the effect we expect to deliver based on the FRACTAL-study can be demonstrated in a phase III study.

Based on the market access research conducted, we assess the expected price level to exceed 10,000 per treatment and that following market approval, an annual turnover >USD 1 billion at peak sales is achievable in the US alone. Considering the potential of this project we believe that there is a significant upside in keeping the commercial rights in selected markets. We are therefore evaluating the opportunities for developing and commercializing our drugs by ourselves in selected markets, such as in the US, in combination with out-licensing of rights to partners in other key markets.

In connection with the announcement of the strategic decision to focus on cardiovascular diseases, Kancera announced that the patient recruitment in the ongoing clinical study in ovarian cancer, **KANDOVA**, is closed. This decision is made on business grounds, as we believe that by focusing our resources on cardiovascular diseases, the opportunity for us as a company to be successful and create shareholder value increases. In addition, we believe that the primary objective of the study, to demonstrate safety and tolerability, can be fulfilled with the 18 patients that have been enrolled up until now. I would like to emphasize that the study will be finalized and all patients that are in the study will be able to complete their treatment according to the study protocol. We expect to report top-line results in Q4 2025.

The **operating loss** during the full period January-September amounted to SEK -36,3 million, which is approximately SEK 10 million compared to the previous year (SEK -46,1 million). The deviation from last year is explained by lower R&D costs, primarily with regards to the FRACTAL study and the KAND145 phase I study, but also by lower sales and general administration costs.

At the end of the reporting period, cash amounted to SEK 57,9 million (SEK 58,2 million). The company's assessment is that the current cash is sufficient to finance ongoing activities, including the completion of the KANDOVA-study, throughout 2025. However, the existing cash is not sufficient to finance any new clinical development or manufacturing activities. ,In order to conduct a phase IIb study in STEMI as a next step and thereafter a phase III study and eventually commercialize our candidate drugs by ourselves in selected markets, Kancera is seeking a capital injection from new long-term specialist investors to support the long-term strategy.

In summary:

- the company's development resources are focused on the field of cardiovascular diseases, initially with focus on STEMI and to build on the previously reported positive results in the FRACTAL-study,
- preparations are ongoing to conduct a phase IIb study with KAND567 in STEMI,
- the preliminary clinical study design and product positioning in STEMI is expected to be in line with the anticipated regulatory requirements for market approval and, if efficacy can be demonstrated according to the Target Product Profile, the price potential in the US is expected to be high,
- the significant commercial potential enables development and commercialization of our candidate drugs to be made by Kancera itself in selected markets, in combination with partnering and out-licensing of rights in other key markets.

Peter Selin, CEO
Solna, November 15, 2024
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 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, Kancera reported positive overall results from a phase IIa study, the so-called FRACTAL study. The company is now working on preparations for upcoming clinical studies.
- 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, has been completed and the second part of the study, phase IIa, is ongoing. Top-line results are expected to be presented during the fourth quarter 2025.
- A phase I study with KAND145 in healthy subjects: the first clinical study with the company's second generation fractalkine-blocking drug candidate. The study has been completed and the company has reported positive top-line results. Work to finalize the final study report is ongoing.

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.

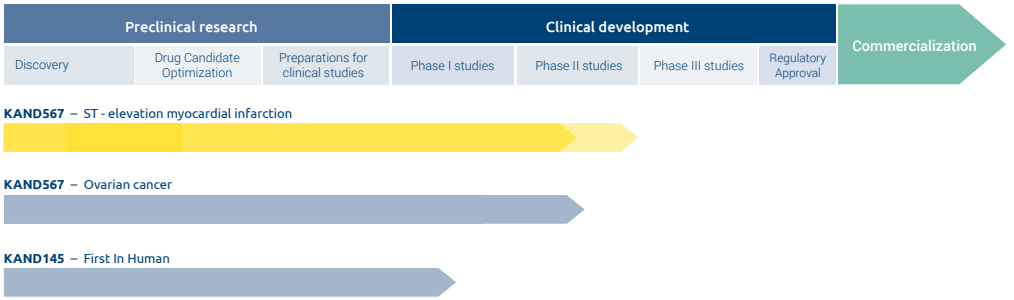
Financial partnering means that life science-focused specialist investors partner with Kancera to become long-term investors in the company and assume a larger ownership share, in many cases as active owners.

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 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 (statistical trend) 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 is now working on development activities aimed at preparing for phase IIb and III-studies.

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, has been completed and part two of the study, phase IIa, is ongoing. Top-line results are expected to be presented during the fourth quarter 2025.

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.

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	Jul 1 - Sep 30		Jan 1 - Sep 30	
KSEK (unless otherwise specified)	**2024**	**2023**	**2024**	**2023**
Net sales				
Other operating revenues				592
Operating expenses	-11 502	-10 546	-36 251	-46 648
R&D expenses	-10 197	-9 239	-31 478	-40 933
Operating Income	-11 502	-10 546	-36 251	-46 056
Income after financial items	-11 062	-10 733	-34 927	-46 421
Net income	-11 062	-10 733	-34 927	-46 421
Cash flow from operations	-17 775	-8 752	-46 967	-42 547
	0			
Cash	57 926	58 220	57 926	58 220
	0			
Equity	71 939	66 119	71 939	66 119
Key ratios				
R&D costs as share of total costs	89%	88%	87%	88%
Earnings per share, before and after dilution (SEK)	-0,09	-0,13	-0,31	-0,57
Cash flow per share (SEK)	-0,15	-0,11	-0,39	-0,52
Equity per share (SEK)	0,59	0,81	0,59	0,81
Total assets	77 525	78 320	77 525	78 320
Equity ratio	93%	84%	93%	84%
No. of employees	5	4	5	4

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 "Pipeline").

Revenue and earnings
Third quarter, July-September 2024

- Net sales for the quarter amounted to SEK 0 million (SEK 0 million).
- Costs during the quarter amounted to SEK 11,5 million (SEK 10,5 million).
- R&D costs amounted to SEK 10,2 million, which includes SEK 6.3 million in reversed accrued costs for the FRACTAL-study. Adjusted for this effect, the R&D costs are higher than the same period previous year (SEK 9,2 million). R&D costs mainly comprise of costs for the ongoing clinical studies and costs for process development and scale-up of the KAND567 and KAND145 drug substance manufacturing process. Other costs are related to sales and administration that amounted to SEK 1,3 million (SEK 1,3 million) during the period.
- The operating loss for the quarter was SEK -11,5 million (SEK -10,5 million), which includes the positive effect from the reversal of accrued FRACTAL-study costs.
- Loss after financial items for the quarter amounted to SEK –11,1 million (SEK -10,7 million).
- Earnings per share for the quarter, based on a weighted average of the number of outstanding shares, amounted to SEK –0,09 (SEK -0,13).

The full period, January-September 2024

- Net sales amounted to SEK 0 million (SEK 0 million).
- Operating expenses amounted to SEK 36,3 million (SEK 46,6 million), of which the majority constitutes costs for R&D:
- R&D costs amounted to SEK 32,5 million (SEK 40,9 million). R&D costs mainly comprise of costs for the ongoing clinical studies and costs for process development and scale-up of the KAND567 and KAND145 drug substance manufacturing process. The lower accumulated costs compared to the same period in the previous year is explained by decreased scope of clinical development activities, primarily with regards to the FRACTAL-study and the KAND145 phase I study.
- Other costs are related to sales and administration that amounted to SEK 4,8 million (SEK 5,7 million) during the period.
- The operating loss amounted to SEK -36,3 million (SEK -46,1 million), primarily explained by lower R&D costs as described above.
- Loss after financial items amounted to SEK –34,9 million (SEK -46,4 million).
- Earnings per share, based on a weighted average of the number of outstanding shares, amounted to SEK –0,31 (SEK -0,57).

Consolidated statement of comprehensive income

Consolidated statement of comprehensive Income

	Jul 1 - Sep 30		Jan 1 - Sep 30		1 jan - 31 dec
KSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Operating revenues					
Net sales					
Other operating revenues				592	1 035
Total revenues	**0**	**0**	**0**	**592**	**1 035**
Operating expenses					
G&A expenses	-1 053	-1 068	-3 918	-4 560	-6 347
M&S expenses	-252	-239	-854	-1 155	-1 741
R&D expenses	-10 197	-9 239	-31 478	-40 933	-57 989
Total operating expenses	**-11 502**	**-10 546**	**-36 251**	**-46 648**	**-66 077**
Operating income	**-11 502**	**-10 546**	**-36 251**	**-46 056**	**-65 042**
Income before financial items					
Financial net	440	-187	1 324	-365	153
Income after financial items	**-11 062**	**-10 733**	**-34 927**	**-46 421**	-64 889
Tax					
Net income	**-11 062**	**-10 733**	**-34 927**	**-46 421**	**-64 889**
Average number of shares (thousands), before and after dilution	121 186	81 506	113 394	81 506	79 620
Number of shares at closing date (thousar	121 186	81 506	121 186	81 506	81 506
Earnings per share, before and after dilutic	-0,09	-0,13	-0,31	-0,57	-0,81

Condensed consolidated statement of financial position

Condensed consolidated statement of financial position

Kancera Group

KSEK	30 sep 2024	30 sep 2023	31 dec 2023
Assets			
Non-current assets			
Intangible assets			
Capitalized R&D	18 000	18 000	18 000
Financial assets			
Financial placements	1	1	1
Total non-current assets	**18 001**	**18 001**	18 001
Current assets			
Trade receivables and other receivables	1 598	2 099	1 950
Cash and cash equivalents	57 926	58 220	45 692
Total current assets	**59 524**	**60 319**	47 642
Total assets	**77 525**	**78 319**	65 643
Equity and Liabilities			
Equity			
Equity	71 939	66 119	47 665
Total equity	**71 939**	**66 119**	47 665
Liabilities			
Long-term liabilities			
Short-term liabilities	5 586	12 201	17 978
Total liabilities	**5 586**	**12 201**	**17 978**
Total equity and liabilities	**77 525**	**78 320**	**65 643**

Statement of changes in equity

Consolidated report on changes in equity, Jan 1 - Sep 30 2024				
Kancera group *KSEK*	**Share capital**	**Other capital contributions**	**Accumulated deficit**	**Total equity**
Second quarter				
Opening balance July 1 2023	67 921	44 617	-35 688	76 851
Comprehensive income				
Net income for the period			-10 733	-10 733
Total comprehensive income			-10 733	-10 733
Transactions with shareholders				
Capital injections				
Capital injection costs				
Ongoing share issue				
Total transactions with shareholders	0	0	0	0
Closing balance Sep 30 2023	**67 921**	**44 617**	**-46 421**	**66 119**
The period January - June				
Opening balance Jan 1 2023	66 273	93 122	-52 484	106 912
Comprehensive income				
Appropriation of last year´s net income		-52 484	52 484	
Net income for the period			-46 421	-46 421
Total comprehensive income	0	-52 484	-46 421	-46 421
Transactions with shareholders				
Capital injections	1 648	4 284		5 932
Capital injection costs		-305		-305
Reduction of share capital				
Total transactions with shareholders	1 648	3 979	0	5 627
Closing balance Sep 30 2023	**67 921**	**44 617**	**-46 421**	**66 119**

Statement of changes in equity (cont´d)

Consolidated report on changes in equity, Jan 1 - Sep 30 2024

Kancera group, Jul 1 - Sep 30 2024 *KSEK*	Sharecapital	Other capital contributions	Accumulated deficit	Total equity
First quarter				
Opening balance July 1 2024	11 778	95 088	-23 865	83 001
Appropriation of last year´s net income				
Net income for the period			-11 062	-11 062
Total comprehensive income			-11 062	-11 062
Transactions with shareholders				
Capital injections				
Capital injection costs				
Capital injection costs				
Ongoing share issues				
Total transactions with shareholders	0	0	0	0
Closing balance Sep 30 2024	**11 778**	**95 088**	**-34 927**	**71 939**

Kancera group, Jan 1 - Sep 30 2024 *KSEK*	Sharecapital	Other capital contributions	Accumulated deficit	Total equity
Opening balance Jan 1 2024	7 921	44 632	-4 889	47 665
Appropriation of last year´s net income		-4 889	4 889	0
Net income for the period			-34 927	-34 927
Total comprehensive income	0	-4 889	-34 927	-34 927
Transactions with shareholders				
Capital injections	3 857	69 155		73 012
Capital injection costs		-13 811		-13 811
Total transactions with shareholders	3 857	55 344	0	59 201
Closing balance Sep 30 2024	**11 778**	**95 087**	**-34 927**	**71 939**

Cash flow statement

Condensed consolidated statement of cash flow

	Jul 1 - Sep 30		Jan 1 - Sep 30		Jan 1 - Dec 31
KSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Cash flow from operations					
Operating income after financial items	-11 062	-10 733	-34 927	-46 421	-64 889
Depreciation		67		247	3 000
Taxes paid		26		40	
Other non-cash flow items		3 000		3 000	13
Cash flow from operating activities before change in working capital	**-11 062**	**-7 640**	**-34 927**	**-43 134**	-61 876
Change in working capital	-6 713	-1 112	-12 040	587	6 204
Operating cash flow	**-17 775**	**-8 752**	**-46 967**	**-42 547**	-55 672
Investment activities					
Cash flow from investments	0	0	0	0	0
Free cash flow	**-17 775**	**-8 752**	**-46 967**	**-42 547**	-55 672
Financing activities					
Change in debt referrable to financing activities		-535		-32	
Issue of shares/other capital infusions		-35	59 201	5 650	6 215
Repayment of loans					
Cash flow from financing activities	**0**	**-570**	**59 201**	**5 618**	6 215
Total cash flow	**-17 775**	**-9 322**	**12 234**	**-36 929**	-49 457
Cash and cash equivalents at the beginning of the period	75 701	66 972	45 692	95 149	95 149
Cash and cash equivalents at the end of the period	57 926	58 220	57 926	58 220	45 692

Condensed income statement
parent company

Condensed Parent Company Income Statement

The Parent Company Kancera AB

KSEK	Jul 1 - Sep 30		Jan 1 - Sep 30		Jan 1 - Dec 31
	2024	**2023**	**2024**	**2023**	**2023**
Operating revenues					
Net sales					
Other operating revenues				592	1 035
Total revenue	0	0	0	592	1 035
Gross profit	**0**	**0**	**0**	**592**	**1 035**
Operating expenses					
G&A expenses	-1 053	-1 068	-3 918	-4 547	-6 347
M&S expenses	-252	-239	-854	-1 148	-1 741
R&D expenses	-10 197	-9 239	-31 478	-40 953	-57 989
Total operating expenses	**-11 502**	**-10 546**	**-36 251**	**-46 648**	**-66 077**
Operating income	**-11 502**	**-10 546**	**-36 251**	**-46 056**	**-65 042**
Income before financial items					
Financial net	440	-187	1 324	-379	153
Income after financial items	**-11 062**	**-10 733**	**-34 927**	**-46 435**	**-64 889**
Tax	0	0	0	0	0
Net income	**-11 062**	**-10 733**	**-34 927**	**-46 435**	**-64 889**

Condensed balance sheet
parent company

Condensed Parent Company Balance Sheet

The Parent Company Kancera AB

KSEK	Sep 30		Dec 31
Assets	**2024**	**2023**	**2023**
Non-current Assets			
Intangible assets			
Capitalized R&D	18 000	18 000	18 000
Financial assets			
Shares in subsidiaries	50	50	50
Financial placements	1	1	1
Total non-current assets	**18 051**	**18 051**	**18 051**
Current assets			
Intercompany receivables	1	1	2
Trade receivables and other rec	1 598	2 099	1 948
Cash and cash equivalents	57 876	58 172	45 642
Total current assets	**59 475**	**60 272**	**47 592**
Total assets	**77 526**	**78 322**	**65 643**
Equity and Liabilities			
Equity	71 939	66 119	47 665
Total equity	**71 939**	66 119	**47 665**
Liabilities			
Short-term liabilities	5 586	12 203	17 978
Total liabilities	**5 586**	**12 203**	**17 978**
Total equity and liabilities	**77 525**	**78 322**	**65 643**

Financial position and cash flow

Balance sheet and cash flow

- Equity on September 30, 2024 amounted to SEK 71,9 million (SEK 66,1 million).
- The equity/assets ratio on September 30, 2024 was 93 percent (84 percent).
- Equity per share was SEK 0,59 (0,81).
- Cash flow from operating activities during the quarter amounted to SEK –17,8 million (SEK -9,8 million) or SEK –0,15 per share (SEK -0,11). The deviation between cash flow and operating income is primarily explained by the reversal of accrued FRACTAL study costs, which impacts the operating income but has no cash flow effect.
- Cash and cash equivalents on September 30, 2024 amounted to SEK 57,9 million (SEK 58,2 million). The company expects that current cash is sufficient to finance the base business plan up until Q4 2025.

Employees

Kancera AB had 5 (4) permanent employees as of June 30, 2024, of which 4 (4) 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 September 30, 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 assesses 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 Q4 2025, 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.

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

- Kancera has announced that the company is focusing its business and development of KAND567 and KAND145 to the field of cardiovascular diseases.
- Kancera has reported that the patient recruitment in the ongoing clinical study in ovarian cancer (KANDOVA) is stopped.
- Kancera has reported that Robert Edfors is appointed as Chief Medical Officer.

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, November 15, 2024

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

Auditor's report
on review of interim report

To the Board of Directors of Kancera AB, reg.nr. 556806-8851

We have reviewed the condensed interim financial information (interim report) for Kancera AB as of September 30, 2024 and the nine-month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 15 November 2024
BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Upcoming reporting dates

2025
21
February

Interim Report October – December 2024

2025
29
April

Annual Report, 2024

For further information contact:
ir@kancera.com

Kancera AB (publ)
Nanna Svartz väg 4
171 65 Solna

Visit our website at www.kancera.com