Interim Report Second Quarter 2024

April 1 – June 30, 2024

Kancera AB | Org.nr. 556806-8851

The period in brief

Significant events during the second quarter

- Kancera reported positive top line results from the KAND145 phase I study in healthy subjects and that the study met its primary objectives.
- Kancera reported that Robert Edfors has been appointed new Chief Scientific Officer and Senior Vice President Clinical Development as from September 1 and that Johan Schultz, Vice President R&D Operations and Maria Sahlberg, Vice President Regulatory Affairs and Compliance have been added to the executive management team.
- The Annual General Meeting decided for re-election of the chairman of the board and all board members and new election of BDO Mälardalen AB as financial auditor.
- The company's candidate drugs KAND567 and KAND145 have been granted International Non-proprietary Names (INN) by WHO.

Significant events after the end of the period

- Kancera has reported that part one of the KANDOVA study, phase Ib, has been successfully completed and that phase IIa has started.

April – June
Second quarter financial summary

- Net sales amounted to SEK 0 million (SEK 0 million).
- R&D expenses amounted to SEK 9,7 million (SEK 16,5 million).
- Operating loss for the quarter amounted to SEK –11,4 million (SEK -18,3 million).
- Loss after financial items for the quarter amounted to SEK –10,9 million (SEK -18,2 million).
- Basic and diluted earnings per share for the quarter amounted to SEK –0,09 (SEK -0,23).
- Cash flow from operating activities for the quarter amounted to SEK –14,4 million (SEK -14,8 million).
- Equity on June 30, 2024 amounted to SEK 83,0 million (SEK 76,9 million) or SEK 0,68 (SEK 0,94) per share.
- The equity/assets ratio on June 30, 2024 was 87 percent (84 percent).
- Cash and cash equivalents on June 30, 2024 amounted to SEK 75,7 million (SEK 67,0 million).

January – June
Financial summary for the full period

- Net sales amounted to SEK 0 million (SEK 0 million).
- R&D expenses amounted to SEK 21,2 million (SEK 31,7 million).
- Operating loss for the quarter amounted to SEK –24,7 million (SEK -35,5 million).
- Loss after financial items for the quarter amounted to SEK –23,9 million (SEK -35,7 million).
- Basic and diluted earnings per share for the quarter amounted to SEK –0,22 (SEK -0,45).
- Cash flow from operating activities amounted to SEK –29,1 million (SEK -33,8 million).
- Equity on June 30, 2024 amounted to SEK 83,0 million (SEK 76,9 million) or SEK 0,68 (SEK 0,94) per share.
- The equity/assets ratio on June 30, 2024 was 87 percent (84 percent).
- Cash and cash equivalents on June 30, 2024 amounted to SEK 75,7 million (SEK 67,0 million).

CEO Statement

"With the progress made during the period we have significantly advanced our clinical development program"

Peter Selin, VD

The second quarter was yet another eventful quarter when Kancera made significant progress in our ongoing clinical studies with our candidate drugs KAND567 and KAND145:

- During the period we reported **positive top line results** from the **KAND145 phase I-study** in healthy subjects. A very important milestone as this is the first clinical study with KAND145, our next generation fractalkine blocker that is of great strategic importance for the company. The study results verify that KAND145 has a similar mode of action as KAND567 and demonstrate that KAND145 is safe and tolerable at the dose levels that are expected to be therapeutically effective against the disease conditions Kancera is focusing on.

- After the period, we reported that the **first part of the KANDOVA study** was **successfully completed**. KANDOVA is a combined clinical phase Ib/IIa study with KAND567 in ovarian cancer. The completion of phase Ib means that the recommended dose for part two of the study, phase IIa, has been set. Also, this is a very important milestone as KANDOVA is our first clinical study in cancer and we have now demonstrated that KAND567 has a favorable safety profile at the dose levels expected to be effective against ovarian cancer. With the primary objective for phase Ib achieved we are now proceeding to phase IIa. The study protocol allows for up to 30 patients to be enrolled in the two study phases. The definite number of patients to be enrolled during phase IIa are continuously being assessed and will be decided during the second half of 2024.

Put together, these important results mean Kancera has taken a major step forward with our fractalkine program. The results **validate our strategy**, which is to lead the clinical development with KAND567 and use this candidate drug to evaluate the treatment concept of fractalkine blockers, in parallel with the first clinical studies of KAND145. We are now continuing in line with this strategy and are preparing to switch over to KAND145 in upcoming clinical studies.

Our development activities in the cardiovascular field are also progressing according to plan. At the end of 2023, we reported positive topline results from the FRACTAL study, a clinical phase IIa study with KAND567 in myocardial infarction patients undergoing primary PCI. The topline results showed that our fractalkine blockers have the potential to significantly reduce the risk of left ventricular thrombosis in ST-elevation myocardial patients that undergo primary PCI, without an increased risk of bleedings.

After the publication of these results we have continued our analysis, e.g. through detailed analyses of pathways controlling inflammation and coagulation. Our **detailed analysis supports our reported results** and in addition enables us to explain the mode of action and unique characteristics of our drug candidates. This will help us in our product positioning and design of upcoming clinical studies. After the reporting period we also announced that the study results from the FRACTAL study will be presented at the European Society of Cardiology's conference in London in September, the largest conference in the world within the field of cardiovascular medicine.

During the period, the WHO made the formal decision to grant KAND567 and KAND145 International Non-proprietary Names (INN). Kancera's candidate drugs were granted a new name suffix, meaning that WHO perceives our candidate drugs to constitute a new class of drugs. The decision made by the WHO, strengthens our belief that Kancera is a world-leading pioneer in the field of the fractalkine system.

With regards to the **financial performance**, the operating expenses during the period amounted to approximately 11,4 million SEK, of which the majority, approximately 9,7 million SEK, constitutes R&D costs. The operating expenses were lower compared to the same period the previous year, when they amounted to 18,8 million and 16,5 million respectively. The primary explanation for the higher costs last year is that the FRACTAL study was ongoing and costs in the KANDOVA study were higher during the study's initiation.

The **operating cash flow** during the period was approximately -14,5 million SEK, which is in line with the same period previous year. During the period, approximately 60 million SEK in cash was added, coming from the rights issue conducted in the first quarter. **The cash position** at the end of the period amounted to approximately 75 million SEK and we expect that the current cash is sufficient to finance the company's business plan up until the third quarter 2025.

During the period we reported changes made in the executive management team, including the appointment of Robert Edfors as new Chief Scientific Officer and Senior Vice President Clinical Development. In addition, Johan Schultz was appointed Vice President R&D Operations and Maria Sahlberg as Vice President Regulatory Affairs and Compliance. These organizational changes reflect our strong focus on the clinical development of KAND567 and KAND145 and the preparations we are making for upcoming clinical studies.

With the progress made during the reporting period, we have significantly advanced our clinical development program and demonstrated that KAND567 and KAND145 are two qualitative candidate drugs representing a new class of drugs. Having a unique mode of action and favorable safety profile, we see good opportunities for a clear positioning within both the cardiovascular field and cancer. Our efforts to advance our development program through partnerships in these therapeutic fields will now continue at full speed!

Peter Selin, VD
Solna, August 23, 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 two main areas; heart injuries caused by inflammation in connection with myocardial infarction and treatment-resistant ovarian cancer. Due to severe complications and high mortality, the medical needs are high in both of these conditions, which in the long run means significant market opportunities for new drugs that can contribute to more effective treatments.

Kancera's management has solid 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 human.

Kancera currently has three clinical projects:

- KAND567 in patients with myocardial infarction undergoing percutaneous coronary intervention. 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, has been completed and part two, phase IIa, is ongoing.
- 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 has reported positive top line results from the study and the work to finalize the final study report is ongoing.

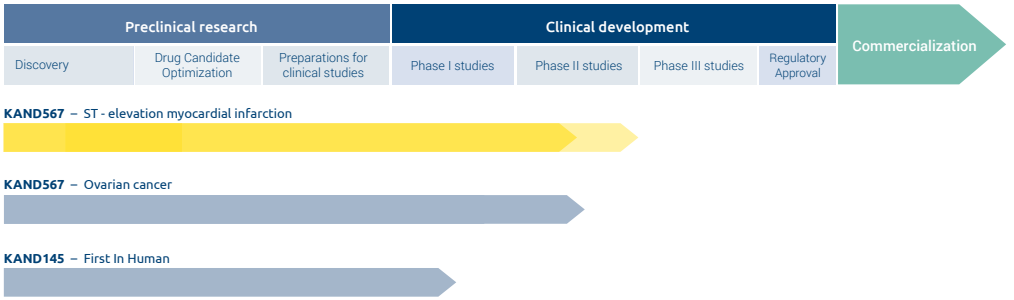
Business model

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 partnerships with pharmaceutical companies that focus on specialist care. By developing and commercializing drug candidates in partnership, Kancera's need for capital is reduced and portfolio risk is reduced. A partnership agreement 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;
- The secondary objective was met - to show signals of cardiovascular protective effect. The clearest signals of cardioprotective effect were a trend of reduced intramyocardial hemorrhage, as well as a significant and statistically significant reduction in the incidence of left ventricular thrombosis. Kancera assesses that both of these signals are of high clinical relevance, as they are associated with heart failure and stroke, which are established primary endpoints in pivotal studies.

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 future clinical 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, i.e. the Phase Ib part, has a so-called dose escalation design. The objective of the Phase Ib part of the study is 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 ot the study, phase Ib, has been completed and the recommended phase II dose has been set. Part two of the study, phase IIa, is ongoing.

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 other 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 effectively converted into KAND567 in the body and that after conversion the pharmacokinetics are similar to when dosing with KAND567.
- KAND145 is safe and tolerable at the dose levels expected to be therapeutically active against inflammatory conditions and the tumor microenvironment in cancer.

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

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 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 publically use the INNs.

Financial development in summary

Kancera Group	Apr 1 - Jun 30		Jan 1 - Jun 30	
KSEK (unless otherwise specified)	**2024**	**2023**	**2024**	**2023**
Net sales				
Other operating revenues		456		592
Operating expenses	-11 354	-18 779	-24 749	-36 102
R&D expenses	-9 740	-16 546	-21 281	-31 714
Operating Income	-11 354	-18 323	-24 749	-35 510
Income after financial items	-10 904	-18 189	-23 865	-35 688
Net income	-10 904	-18 189	-23 865	-35 688
Cash flow from operations	-14 403	-14 790	-29 082	-33 795
Cash	75 701	66 972	75 701	66 972
Equity	83 001	76 851	83 001	76 851
Key ratios				
R&D costs as share of total costs	86%	88%	86%	88%
Earnings per share, before and after dilution (SEK)	-0,09	-0,23	-0,22	-0,45
Cash flow per share (SEK)	-0,12	-0,18	-0,24	-0,41
Equity per share (SEK)	0,68	0,94	0,68	0,94
Total assets	95 638	91 435	95 638	91 435
Equity ratio	87%	84%	87%	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 partnerships with other pharmaceutical companies through out-licensing of development and commercialization rights in exchange for revenues in the form of milestone payments and royalty revenues.

As the company has not yet entered into such partnerships, the company does not yet have any revenue in the form of milestone payments or royalty revenues. Until such time as the company enters into such 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 "Pipeline" section).

Revenue and earnings
Second quarter, April-June 2024

- Net sales for the quarter amounted to SEK 0 million (SEK 0 million).
- Costs during the quarter amounted to SEK 11,4 million (SEK 18,8 million),
- R&D costs amounted to SEK 9,7 million (SEK 16,6 million). The main reasons for the decreased costs vs last year is that in 2023 the FRACTAL study was ongoing and that the KANDOVA study was in a start-up phase with site initiations.
- Other expenses consist of selling and administrative expenses, which amounted to SEK 1,6 million (SEK 2,0 million) during the period. The company has no product sales, but sales costs refer to costs for business development and market access activities.
- The operating loss for the quarter was SEK -11,3 million (SEK -18,3 million).
- Loss after financial items for the quarter amounted to SEK –10,9 million (SEK -18,2 million).
- Earnings per share for the quarter, based on a weighted average of the number of outstanding shares, amounted to SEK –0,09 (SEK -0,23).

The full period, January-June 2024

- Net sales amounted to SEK 0 million (SEK 0 million).
- Operating expenses amounted to SEK 24,7 million (SEK 36,1 million),
- R&D costs amounted to SEK 21,3 million (SEK 31,7 million). Other expenses consist of selling and administrative expenses, which amounted to SEK 3,5 million (SEK 4,4 million).
- The operating loss amounted to SEK -24,7 million (SEK -35,5 million).
- Loss after financial items amounted to SEK –23,9 million (SEK -35,7 million).
- Earnings per share, based on a weighted average of the number of outstanding shares, amounted to SEK –0,22 (SEK -0,45).

Consolidated statement of comprehensive income

Consolidated statement of comprehensive Income

Kancera group	Apr 1 - Jun 30		Jan 1 - Jun 30		1 jan - 31 dec
KSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Operating revenues					
Net sales					
Other operating revenues		456		592	1 035
Total revenues	**0**	**456**	**0**	**592**	**1 035**
Operating expenses					
G&A expenses	-1 377	-1 742	-2 866	-3 479	-6 347
M&S expenses	-236	-491	-602	-909	-1 741
R&D expenses	-9 740	-16 546	-21 281	-31 714	-57 989
Total operating expenses	**-11 354**	**-18 779**	**-24 749**	**0 -36 102**	**-66 077**
Operating income	**-11 354**	**-18 323**	**-24 749**	**-35 510**	**-65 042**
Income before financial items					
Financial net	449	134	884	-178	153
Income after financial items	**-10 904**	**-18 189**	**-23 865**	**-35 688**	-64 889
Tax					
Net income	**-10 904**	**-18 189**	**-23 865**	**-35 688**	**-64 889**
Average number of shares (thousands), before and after dilution	121 186	80 363	109 477	79 946	79 620
Number of shares at closing date (thousands)	121 186	81 506	121 186	81 506	81 506
Earnings per share, before and after dilution	-0,09	-0,23	-0,22	-0,45	-0,81

Condensed consolidated statement of financial position

Condensed consolidated statement of financial position			
Kancera Group	30 jun		31 dec
KSEK	**2024**	**2023**	**2023**
Assets			
Non-current assets			
Intangible assets			
Capitalized R&D	18 000	21 000	18 000
Tangible assets			
Lease assets		67	
Financial assets			
Financial placements	1	1	1
Total non-current assets	**18 001**	**21 068**	18 001
Current assets			
Trade receivables and other receivables	1 936	3 395	1 950
Cash and cash equivalents	75 701	66 972	45 692
Total current assets	**77 637**	**70 367**	47 642
Total assets	**95 638**	**91 434**	65 643
Equity and Liabilities			
Equity			
Equity	83 001	76 851	47 665
Total equity	**83 001**	**76 851**	47 665
Liabilities			
Long-term liabilities			
Short-term liabilities	12 637	14 584	17 978
Total liabilities	**12 637**	**14 584**	**17 978**
Total equity and liabilities	**95 638**	**91 435**	**65 643**

Statement of changes in equity

Consolidated report on changes in equity, Jan 1 - June 30 2024				
Kancera group *KSEK*	**Share capital**	**Other capital contributions**	**Accumulated deficit**	**Total equity**
Second quarter				
Opening balance April 1 2023	66 273	40 638	-17 499	89 413
Comprehensive income				
Net income for the period			-18 189	-18 189
Total comprehensive income			-18 189	-18 189
Transactions with shareholders				
Capital injections	1 648	4 284		5 932
Capital injection costs		-305		-305
Ongoing share issue				
Total transactions with shareholders	1 648	3 979		5 627
Closing balance June 30 2023	**67 921**	**44 617**	**-35 688**	**76 852**
The period January - June				
Opening 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			-35 688	**-35 688**
Total comprehensive income	0	-52 484	-35 688	-35 688
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 June 30 2023	**67 921**	**44 617**	**-35 688**	**76 851**

Statement of changes in equity (cont´d)

Kancera group, April 1 - Jun 30 2024				
KSEK	Sharecapital	Other capital contributions	Accumulated deficit	Total equity
First quarter				
Opening balance April 1 2024	11 778	95 088	-12 961	93 905
Appropriation of last year´s net income				
Net income for the period			-10 904	-10 904
Total comprehensive income			-10 904	-10 904
Transactions with shareholders				
Capital injections				
Capital injection costs				
Capital injection costs				
Ongoing share issues				
Total transactions with shareholders	0	0	0	0
Closing balance June 30 2024	**11 778**	**95 088**	**-23 865**	**83 001**

Kancera group, Jan 1 - Jun 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				
Net income for the period				-23 865
Total comprehensive income			0	0
Transactions with shareholders				
Capital injections		-13 811		-13 811
Capital injection costs				
Capital injection costs		55 344		59 201
Ongoing share issues				
Total transactions with shareholders	0	0	0	0
Closing balance June 30 2024	**11 778**	**99 976**	**-28 754**	**83 001**

Cash flow statement

Condensed consolidated statement of cash flow

Kancera Group	Apr 1 - Jun 30		Jan 1 - Jun 30		Jan 1 - Dec 31
KSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Cash flow from operations					
Operating income after financial items	-10 904	-18 189	-23 865	-35 688	-64 889
Depreciation		90		180	3 000
Taxes paid		-4		14	
Other non-cash flow items	-165		-34		13
Cash flow from operating activities before change in working capital	**-11 069**	**-18 103**	**-23 899**	**-35 494**	-61 876
Change in working capital	-3 334	3 313	-5 183	1 699	6 204
Operating cash flow	**-14 403**	**-14 790**	**-29 082**	**-33 795**	-55 672
Investment activities					
Cash flow from investments	**0**	**0**	**0**	**0**	0
Free cash flow	**-14 403**	**-14 790**	**-29 082**	**-33 795**	-55 672
Financing activities					
Change in debt referrable to financing activities	59 091	-535		-32	
Issue of shares/other capital infusions		-35	59 091	5 650	6 215
Repayment of loans					
Cash flow from financing activities	**59091**	**-570**	**59 091**	**5 618**	6 215
Total cash flow	**44 688**	**-15 360**	**30 009**	**-28 177**	-49 457
Cash and cash equivalents at the beginning of the period	31 013	76 131	45 692	95 149	95 149
Cash and cash equivalents at the end of the period	75 701	66 972	75 701	66 972	45 692

Condensed income statement parent company

Consolidated statement of comprehensive Income					
Kancera Group	Apr 1 - Jun 30		Jan 1 - Jun 30		1 jan - 31 dec
KSEK	**2024**	**2023**	**2024**	**2023**	**2023**
Operating revenues					
Net sales					
Other operating revenues		456		592	1 035
Total revenues	**0**	**456**	**0**	**592**	**1 035**
Operating expenses					
G&A expenses	-1 377	-1 742	-2 866	-3 479	-6 347
M&S expenses	-236	-491	-602	-909	-1 741
R&D expenses	-9 740	-16 546	-21 281	-31 714	-57 989
Total operating expenses	**-11 354**	**-18 779**	**-24 749**	**0 -36 102**	**-66 077**
Operating income	**-11 354**	**-18 323**	**-24 749**	**-35 510**	**-65 042**
Income before financial items					
Financial net	449	134	884	-178	153
Income after financial items	**-10 904**	**-18 189**	**-23 865**	**-35 688**	-64 889
Tax					
Net income	**-10 904**	**-18 189**	**-23 865**	**-35 688**	**-64 889**
Average number of shares (thousands), before and after dilution	121 186	80 363	109 477	79 946	79 620
Number of shares at closing date (thousands)	121 186	81 506	121 186	81 506	81 506
Earnings per share, before and after dilution	-0,09	-0,23	-0,22	-0,45	-0,81

Condensed balance sheet parent company

Condensed Parent Company Balance Sheet

The Parent Company Kancera AB

KSEK	Jun 30		Dec 31
Assets	**2024**	**2023**	**2023**
Non-current Assets			
Intangible assets			
Capitalized R&D	18 000	21 000	18 000
Tangible assets			
Lease assets			
Financial assets			
Shares in subsidiaries	50	50	50
Financial placements	1	1	1
Total non-current assets	**18 051**	**21 051**	**18 051**
Current assets			
Intercompany receivables	3	1	2
Trade receivables and other rec	1 933	3 391	1 948
Cash and cash equivalents	75 651	66 924	45 642
Total current assets	**77 587**	**70 316**	**47 592**
Total assets	**95 638**	**91 367**	**65 643**
Equity and Liabilities			
Equity	83 001	76 851	47 665
Total equity	**83 001**	76 851	**47 665**
Liabilities			
Short-term liabilities	12 637	14 516	17 978
Total liabilities	**12 637**	**14 516**	**17 978**
Total equity and liabilities	**95 638**	**91 367**	**65 643**

Financial position and cash flow

Balance sheet and cash flow

- Equity on June 30, 2024 amounted to SEK 83,0 million (SEK 76,9 million).
- The equity/assets ratio on June 30, 2024 was 87 percent (84 percent).
- Equity per share was SEK 0,68 (0,94).
- Cash flow from operating activities during the second quarter amounted to SEK –14,4 million (SEK -14,8 million) or SEK –0,12 per share (SEK -0,18).
- Cash and cash equivalents as of June 30, 2024 amounted to SEK 75,7 million (SEK 67,0 million), which includes the approximately SEK 60 million that was raised after transaction costs from the rights issue that was conducted in the first quarter 2024. The company expects that current cash is sufficient to finance the base business plan up until Q3 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 21,0 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 June 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 the share

On June 30, 2024, the share capital amounted to SEK 11,8 million (SEK 67,9 million) 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 to 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 529,3 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 has been prepared in accordance with IAS 34 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

During the period, Kancera AB paid compensation of SEK 51,4 thousand (0 thousand) to MobitrIQE AB for advisory services regarding clinical development in cardiovascular diseases. Anders Gabrielsen, board member of Kancera AB, is the owner of MobitrIQE AB.

The transaction has been made on market terms and in accordance with the Board of Directors' procedure for approving such assignments. In addition, Kancera AB has not paid any related party fees other than board fees and expenses for expenses.

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, which was reflected, for example, in the new share issue that the Company carried out during the first quarter 2024. The company expects that current cash is sufficient to finance the base business plan up until Q3 2025.

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.

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, August 23, 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

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

Upcoming reporting dates and Annual General Meeting

2024
15
November

Interim Report July – September 2024

2025
21
February

Interim Report October – December 2024

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